multi asset, multi manager

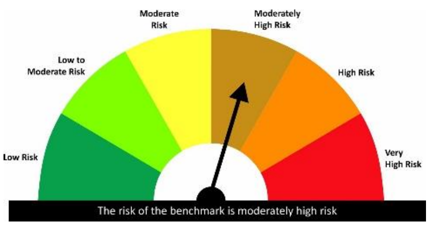
SECTION I

SCHEME INFORMATION DOCUMENT(SID)

quant Equity Savings Fund

(An open ended scheme investing in equity, arbitrage and debt)

PRODUCT LABELLING

This product is suitable for investors who are seeking*:	Scheme Riskometer	Benchmark Riskometer
• To generate income by investing in arbitrage opportunities in the cash and derivatives segment of the equity market, fixed income securities and capital appreciation through an exposure to equity and equity related instruments. • Regular income & Capital appreciation	 Investors understand that their principal will be at Moderate risk.	 Investors understand that their principal will be at Moderately High risk. **As per AMFI Tier I Benchmark –** NIFTY Equity Savings TRI

***Investors should consult their financial advisers if in doubt about whether the product is suitable for them.**

Product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

New Fund Offer Opens on: July 07, 2025
New Fund Offer Closes on: July 21, 2025
Scheme Reopens on: Scheme will re-open for continuous Sale and Repurchase within 5 business days from the date of allotment of units under NFO

Offer for Sale of Units of Face Value of Rs. 10/- per unit during the New Fund Offer Period and Continuous offer of Units at NAV based prices.

Name of Mutual Fund	:	quant Mutual Fund
Name of Asset Management Company	:	quant Money Managers Limited
Name of Trustee Company	:	quant Capital Trustee Limited
Address, Website of the entities	:	6th Floor, Sea Breeze Building, AppaSaheb Marathe Marg, Prabhadevi, Mumbai – 400 025. www.quantmutual.com
Name of Sponsor	:	quant Capital Finance and Investments Private Limited

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of quant Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.quantmutual.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website www.quantmutual.com

The Scheme Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated July 02, 2025.

Table of Contents

Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the scheme**	quant Equity Savings Fund
II.	**Category of the Scheme**	Hybrid - Equity Savings
III.	**Scheme type**	An open ended scheme investing in equity, arbitrage and debt.
IV.	**Scheme code**	QNTM/O/H/ESF/25/06/0029
V.	**Investment objective**	The investment objective of the Scheme is to generate regular income by predominantly investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and debt and money market instruments and to generate long-term capital appreciation through unhedged exposure to equity and equity related instruments. There is no assurance that the investment objective of the scheme will be achieved.
VI.	**Liquidity/listing details**	The Scheme offers Units for Subscription and Redemption at NAV based prices on all Business Days on an ongoing basis, commencing not later than 5 business days from the date of allotment. Under normal circumstances the AMC shall dispatch the redemption proceeds within three working days from date of receipt of valid redemption request from the Unit holder.
VII.	**Benchmark (Total Return Index)**	Nifty Equity Savings TRI. **Justification of Benchmark:** The Scheme is being benchmarked against the Index mentioned above, since Nifty Equity Savings Index captures performance of a portfolio having exposure to equity, equity arbitrage and debt instruments. This index is a total return index capturing price return and dividend/coupon income. It will also enable the investors to arrive at a more informed judgement on scheme's performance. The AMC/Trustee reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, subject to SEBI guidelines and other prevalent guidelines.
VIII.	**NAV disclosure**	The AMC will calculate and disclose the NAVs on all Business Days. The AMC shall update the NAVs on website of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day and shall also update the NAVs on the website of AMC (www.quantmutual.com) before 11.00 p.m. on every Business Day. **Further Details in Section II.**
IX.	**Applicable timelines**	Time line for: **Dispatch of redemption proceeds** 3 working days from the date of redemption or repurchase (under normal circumstances) Further, in exceptional situations additional timelines in line with AMFI letter no. AMFI/35P/MEM -COR/74/2022-23 dated January 16, 2023 will be applicable for transfer of redemption or repurchase proceeds to the unitholders.

		Dispatch of IDCW (if applicable) Within 7 working days from the record date.
X.	**Plans and Options** Plans/Options and sub options under the Scheme	Investors are offered the following Investment Plan(s) to invest in the Scheme: **Each Plan offers Regular Plan and Direct Plan.** **i.Direct Plan** Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. **ii.Regular Plan** Regular Plan is available for all type of investors investing through a Distributor. All the plans will have common portfolio. **Options under each Plan(s)** i.Growth ii. Income Distribution cum Capital Withdrawl (IDCW) (Payout and Re-investment Facility) **Default Plan Options** - Between “Growth” or “IDCW” option, the default will be treated as “Growth”. - In “IDCW” option between “IDCW Payout” or “IDCW Reinvestment”, the default will be treated as “IDCW Reinvestment” For detailed disclosure on default plans and options, **kindly refer SAI.**
XI.	**Load Structure**	Exit Load: 1 % if redeemed/switched out on or before completion of 15 days from the date of allotment of units. No Exit Load is payable if Units are redeemed / switched-out after 15 days from the date of allotment. No exit load shall be applicable on switches from Regular Plan to Direct Plan and vice versa, under the same scheme
XII.	**Minimum Application Amount/switch in**	Minimum amount of investment during NFO and On an Ongoing basis under all Plans and Options • During NFO: Rs. 5,000/- and in multiples of Re. 1/- thereafter • On continuous basis: Rs. 5,000/- and in multiples of Re. 1/- thereafter **Note:** Allotment of units will be done after deduction of applicable stamp duty , if any

XIII.	**Minimum Additional Purchase Amount**	Rs. 1,000/- and in multiples of Re. 1/- thereafter
XIV.	**Minimum Redemption/switch out amount**	Re. 1/- or the unit balance whichever is less
XV.	**New Fund Offer Period**	**NFO Opens on: July 07, 2025** **NFO Closes on: July 21, 2025** In accordance with the SEBI Master Circular on Mutual Funds dated June 27, 2024, the AMC reserves the right to make any changes in dates of the New Fund Offer (NFO) subject to the conditions that in case of pre-closure the NFO shall be open for a minimum of three working days and the extension, if any, shall not be for more than 15 calendar days or such period as allowed by SEBI. The AMC shall publish an addendum to this effect on the website of the AMC and in one national and one regional newspaper where the Head office of AMC is situated**.**
XVI.	**New Fund Offer Price:**	Rs. 10/- per unit
XVII.	**Segregated portfolio/side pocketing disclosure**	The AMC / Trustee shall decide on the creation of segregated portfolio of the Scheme in case of a credit event/actual default at issuer level. Accordingly, Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer. **For Details, kindly refer SAI.**
XVIII	**Swing pricing disclosure**	Not Applicable.
XIX.	**Stock lending/short selling**	Yes, the Scheme may engage in stock lending. For Details, kindly refer SAI
XX.	**How to Apply and other details**	The Application forms are available at the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of Mutual Fund or may be downloaded from the website of AMC. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund is provided on the last **page of the SID.** More Details in **section II.**
XXI.	**Investor services**	**Contact details for general service requests:** Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at "022-6295 5000" from 09.00 am to 6.00 pm (Monday to Friday) or email – help.investor@quant.in. **Contact details for complaint resolution:** Investors can write to: Ms. Sudha Biju, Chief Investor Relations Officer quant Money Managers Limited 6th Floor, Sea Breeze Building, Appasaheb Marathe Marg, Prabhadevi Mumbai - 400 025 Tel No. (Board):- 022-6295 5000 E-mail Id-help.investor@quant.in

		For any grievances with respect to transactions through NSE/BSE, the investors/Unit Holders should approach the investor grievance cell of the stock exchange.
XXII	**Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)**	This is an open-ended scheme.
XXIII	**Special product/facility available during the NFO and on ongoing basis**	**Applications Supported by Blocked Amount (ASBA) facility** ASBA facility will be provided to the investors subscribing to NFO of the Scheme. It shall co-exist with the existing process, wherein cheques / demand drafts are used as a mode of payment. Please refer ASBA application form for detailed instructions. **Stock Exchange Infrastructure Facility:** The investors can subscribe to the Units of the Scheme through Mutual Fund Service System ("MFSS") platform of National Stock Exchange and "BSEStAR MF" platform of Bombay Stock Exchange Ltd. **MF Utility (MFU):** Investor can also subscribe to the Units of the Scheme through MFU which allows transacting in multiple Schemes of various Mutual Funds with a single form / transaction request and a single payment instrument / instruction. The list of Point of Services of MFUI is published on the website of MFUI at "http://www.mfuindia.com/" and may be updated from time to time. Further, Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP) / Systematic Transfer Plan (STP) facilities would be available to the investors. For further details of above special products / facilities, investors/ unit holders are kindly requested to refer SAI. **RTA Facility :** The investors can subscribe to the Units of the Scheme through RTA's website i.e. www.kfintech.com/ and mobile application of RTA i.e. 'KFinKart' **AMC Website** The investors can subscribe to the Units of the Scheme through AMC website i.e. https://invest.quantmutualfund.com/
XXIV.	**Weblink**	TER for last 6 months, Daily TER and Scheme factsheet are not applicable as this is a new scheme.

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

(i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
(ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
(iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
(iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
(v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct.
(vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations.
(vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.
(viii) The Trustees have ensured that the **quant Equity Savings Fund** approved by them is a new product offered by **quant Mutual Fund** and is not a minor modification of any existing fund.

Date: July 02, 2025 **Sd/-**

Place: Mumbai

Sandeep Tandon
Chief Executive Officer

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation under the Scheme will be as follows:

Instruments	**Indicative Allocation (% of Total Assets)**	
	Minimum	**Maximum**
A. Equity & Equity related Instruments, of which	65	90
• i>Hedged – Equity & Equity Derivatives	25	80
• ii>Unhedged – Equity & Equity related instruments **	10	40
B. Debt Securities and Money Market Instruments and Government Securities ~	10	35
C. Exchange Traded Commodity Derivatives	0	10
D. Units issued by REITS and InVITs	0	10

~including TREPS/ reverse repos, equity linked debentures, margin money and securitized debt

**This denotes only net long equity exposures aimed to gain from potential capital appreciation of these positions. Thus, it is a directional equity exposure which will not be hedged.

The notional value of exposure in equity derivatives would be reckoned for equity securities exposure. The notional value of exposure in debt derivatives would be reckoned for debt and money market securities exposure.

The Cumulative Gross Exposure to Equity, Debt, Money market instruments, Derivatives, repo transactions in corporate debt securities etc. and such other securities/assets as may be permitted by SEBI Board from time to time, subject to prior approval from SEBI, if required, should not exceed 100% of the net assets of the scheme in line with clause 12.24 of SEBI Master Circular on Mutual Funds dated June 27, 2024.

According to clause 1A of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996, a mutual fund scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments: Provided that Mutual Fund Schemes may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the scheme subject to such conditions as may be specified by the Board from time to time: Provided further that mutual fund schemes shall comply with the norms under this clause within the time and in the manner as may be specified by the Board: Provided further that the norms for investments by mutual fund schemes in unrated debt instruments shall be specified by the Board from time to time.

According to clause 12.1.1 of SEBI Master Circular dated June 27, 2024, mutual fund scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging. However, mutual fund schemes may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

Note:

(i) The asset allocation as given under normal circumstances is indicative and may vary according to circumstances at the sole discretion of the Fund Manager. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period of time.

The Scheme shall have exposure to following instruments as per the percentages prescribed below and actual instrument/percentages may vary subject to applicable circulars:

Sr. No.	Type of instrument	Percentage of exposure	Circular references
1	Securities Lending	The Scheme shall adhere to the following limits should it engage in Stock Lending: 1.Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending. 2.Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single approved intermediary i.e the limit of 5% will be at broker level.	Clause 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024
2	Equity Derivatives	Upto 80% of the net assets of the Scheme	Clause 7.5, 7.6, 12.25 of SEBI Master Circular on Mutual Funds dated June 27, 2024
3	Securitized Debt	Not exceeding 20% of the debt portion of the scheme	Clause 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024
4	Overseas Investments / ADR / GDR	The Scheme shall not invest in this instrument	-
5	Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs)	Upto 10% of the net assets of the Scheme and not more than 5% of the net assets of the Scheme in InvITs and REITs of any single issuer.	Clause 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024
6	Debt Instruments having Structured Obligation (SO rating) and / or Credit Enhancements (CE rating) and Debt Instruments with special features i.e. Additional Tier I (AT1) / Perpetual Bonds and Tier 2 Bonds	Upto 10% of debt portfolio of the Scheme	Clause 12.3 of SEBI Master Circular on Mutual Fundsdated June 27, 2024
7	Exchange Traded Commodity Derivatives (ETCDs)	- The scheme shall participate in ETCDs of a particular goods (single), not exceeding 10% of net asset value of the scheme. - The participation in ETCDs shall not exceed 10% of net asset value of the scheme. The scheme shall not have net short positions in ETCDs on any particular good, considering its positions in physical goods as well as ETCDs at any point of time. Scheme shall not write options or purchase instrument with embedded written option in goods or in commodity futures.	Para 12.26 of the SEBI Master Circular on Mutual Funds dated June 27, 2024.
8	Mutual Fund Units	Upto 5% at of the net asset value of the mutual fund	Clause 4 of Seventh Schedule of SEBI MF Regulations.
9	Short term deposits of all the Scheduled	Upto 15% of net assets of the Scheme (Upto 20% of net assets of the Scheme with Trustee Approval)	Clause 12.16 as per SEBI Master Circular on Mutual Funds dated June

	Commercial Banks (pending deployment)		27, 2024
10	Triparty Repo (TREPS) on Government securities or treasury bills.	Upto 35% of net assets of the Scheme	Clause 1 of Seventh Schedule of SEBI MF Regulations.
11	Unrated debt and money market instruments	Upto 5% of the net assets of the Scheme (with approval of AMC and Trustee)	Clause 12.1.5 of SEBI Master Circular on Mutual Funds dated June 27, 2024
12	Unlisted nonconvertible Debentures	Upto 10% of the debt portfolio of the scheme	Clause 1A of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996 and Clause 12.1.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024
13	Foreign Securitized Debt	The Scheme shall not invest in this instrument	-
14	Repo/ reverse repo transactions in corporate debt securities	Not exceeding 10% of the net assets of the scheme	Clause 12.18 of SEBI Master Circular for Mutual Funds dated June 27, 2024.
15	Credit Default Swaps	The Scheme shall not invest in this instrument	-
16	Debt derivatives	Upto 50% of the net assets of Debt in Debt Component.	Clause 12.25 of SEBI Master Circular on Mutual Funds dated June 27, 2024
17	Equity Derivatives for non-hedging Purposes	The net long (Unhedged) equity exposure would be capped at a maximum of 40% of the portfolio. Unhedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.	Clause 12.25 of SEBI Master Circular on Mutual Funds dated June 27, 2024

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The AMC may from time to time, pending investment in terms of investment objective of the Scheme and/or for a short term period on defensive consideration invest upto 100% of the funds available in short term money market instruments including cash and cash equivalents, the primary motive being to protect the Net Asset Value of the Scheme and protect Unit holders interest so also to earn reasonable returns on liquid funds maintained for redemption/ repurchase of units.

The Scheme may enter into repos/reverse repos other than repo in corporate debt securities as may be permitted by RBI. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Triparty repo (TREPS) on Government securities or treasury bills or repo or in an alternative investment as may be provided by RBI to meet the liquidity requirements.

The Scheme shall at all times endeavor to take advantage of the arbitrage opportunities available due to difference in pricing emerging between cash market and the derivatives market. However, as the Scheme wants to avail of the benefit granted under the Income-tax Act to equity-oriented funds as defined under Section 115T, the Scheme shall, in the absence of adequate income earning arbitrage opportunities, invest only in equity shares of domestic companies.

Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and defensive considerations.

Under defensive considerations, the asset allocation of the Scheme will be as follows:

Table 2:

Instruments	Indicative Allocation (% of Total Assets)	
	Minimum	Maximum
A. Equity & Equity related Instruments, of which	15	90
• i>Hedged – Equity & Equity Derivatives	5	80
• ii> Unhedged – Equity & Equity related instruments **	10	40
B. Debt Securities and Money Market Instruments and Government Securities ~	10	85
C. Exchange Traded Commodity Derivatives	0	10
D. Units issued by REITS and InVITs	0	10

~ including TREPS/ reverse repos, equity linked debentures margin money and securitized debt

**This denotes only net long equity exposures aimed to gain from potential capital appreciation of these positions. Thus, it is a directional equity exposure which will not be hedged.

The allocation under defensive circumstances will be made keeping in view the interest of the Unit holders. Such position will be closely monitored by the Fund Managers and necessary rebalancing will be done at suitable opportunity but not later than 30 days.

Further, the AMC shall comply with the applicable regulatory guidelines related to reporting and disclosure requirements as specified in the aforesaid circular.

The notional value of exposure in equity derivatives would be reckoned for equity securities exposure. The notional value of exposure in debt derivatives would be reckoned for debt and money market securities exposure.

Note:

(i) The asset allocation as given under normal circumstances is indicative and may vary according to circumstances at the sole discretion of the Fund Manager. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period of time.

The Scheme may employ an internal proprietary model to monitor market trends and determine the optimal asset allocation across various asset classes. This model serves as a guiding framework, offering insights into relative valuation levels and potential asset allocation opportunities within the market. Given the market's dynamic nature, the Fund Manager may refer to this model as a broad indicator; however, they retain full discretion to exercise independent judgment in determining allocation percentages, intervals, and approaches that best align with the fund's investment objectives. The proprietary model may incorporate various parameters, including Adjusted Price-to-Book Value of equity market indices (with a Return on Equity overlay), the Ratio of G-Sec Yield to Earnings Yield of equity market indices, and Equity and Debt Momentum, to establish asset allocation levels within the portfolio. This model may undergo periodic revisions as needed, leading to the inclusion or removal of parameters and adjustments to their respective weightages.

DEPLOYMENT OF FUNDS DURING NEW FUND OFFER (NFO) PERIOD:

As per Regulation 35(5) of MF Regulations and SEBI Circular dated February 14, 2025, the AMC shall deploy the funds garnered in the NFO within 30 business days from the date of allotment of units.

In an exceptional case, if quant Money Managers Limited is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee of quant Money Managers Limited. The Investment Committee may extend the timeline by 30 business days, while also making recommendations on how to ensure deployment within 30 business days going forward and monitoring the same. The Investment Committee shall examine the root cause for delay in deployment before granting approval for part or full extension. The Investment Committee shall not ordinarily give part or full extension where the assets for any scheme are liquid and readily available.

In case the funds are not deployed as per the asset allocation mentioned in the SID as per the aforesaid mandated plus extended timelines, AMC shall:

i. not be permitted to receive fresh flows in the scheme till the time the funds are deployed as per the asset allocation mentioned in the SID.
ii. not be permitted to levy exit load, if any, on the investors exiting the scheme after 60 business days of not complying with the asset allocation of the scheme.
iii. inform all investors of the NFO, about the exit option without exit load, via email, SMS or other similar mode of communication.
iv. report deviation, if any, to Trustees at each of the above stages.

To effectively manage the fund flows in NFO, the fund manager(s) may extend or shorten the NFO period, based on their view of the market dynamics, availability of assets and their ability to deploy funds collected in NFO. However, the same shall be subject to compliance with Para 1.10.1 and 1.10.1A of the SEBI Master Circular for Mutual Funds dated June 27, 2024.

CHANGES IN ASSET ALLOCATION PATTERN / PORTFOLIO REBALANCING:

Short Term Defensive Consideration:
Subject to SEBI (MF) Regulations the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. As per clause 1.14.1.2.b of SEBI Master Circular on Mutual Funds dated June 27, 2024, as may be amended from time to time, such changes in the investment pattern will be for short term and for defensive consideration only.

In the event of change in the asset allocation, the fund manager will carry out portfolio rebalancing within 30 calendar days or such other timeline as may be prescribed by SEBI from time to time.

Portfolio Rebalancing (in case of passive breaches):

As per clause 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024, as may be amended/ clarified from time to time, in the event of change in the asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager is required to carry out portfolio rebalancing within 30 Business Days.

In case the portfolio is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to 60 Business Days from the date of completion of mandated rebalancing period. In case the portfolio of the scheme is not rebalanced within the aforementioned mandated plus extended timelines, the AMC shall follow the requirements specified under the aforesaid circular including reporting the deviation to Trustees at each stage.

B. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme, subject to the enabling provisions of asset allocation pattern, will be invested in securities/ instruments which will include but not limited to:

(a) Equity and Equity related instruments of companies / corporations
(b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
(c) Securities issued by any government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government
(d) Non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, MIBOR-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time
(e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time.
(f) Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
(g) Derivatives
(h) Deposits with banks and other bodies corporate as may be permitted by SEBI from time to time
(i) Units issued by REITs and InVTs
(j) Repo transactions in Corporate Debt Securities
(k) Any other debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI / RBI from time to time.
(l) Exchange Traded Commodity Derivatives (ETCD's)

The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

C. WHAT ARE THE INVESTMENT STRATEGIES?

The scheme will predominantly be actively managed to achieve its investment objective.

The net assets of the Scheme are invested primarily into equity and equity related instruments including equity derivatives. The Scheme invests rest of the assets into debt and money market instruments for liquidity and regular income.

The scheme has a dual objective of generating income by investing in debt and money market securities as well as generating capital appreciation by investing in equity and equity related securities. It will seek to reduce volatility of returns by actively using equity derivatives as hedge. Further, the scheme may invest into equity stocks in the cash market and take short position in futures market to avail arbitrage between spot & futures market and reduce net long equity exposure.

Some of the arbitrage strategies that may be adopted by the fund manager from time to time include:

Cash-Future Arbitrage: Arbitrage captures the spread, between the price of a stock in the spot market and in the futures market on a market neutral basis. If the price of a stock in the futures market is higher than in the spot market, after adjusting for taxes and other costs the Scheme may buy the stock in the spot market and sell the same stock in equal quantity in the futures market simultaneously. This enables to the fund to earn the cost of carry between the stock and the futures of the stock.

If the futures are quoting at a discount to the price in the cash market before the expiry the trade may be reversed by buying the futures and selling the shares in the cash market which, will enhance the profit potential to the extent of discount between

future as compared to cash market.
Normally the price between cash and future segment tend to converge on the expiry day. The cash and future trade would be reversed on the expiry day to book the locked arbitrage profit.

Rolling over of the futures transaction: Rolling over of the futures transaction means:
1) Unwinding the short position in the futures and simultaneously selling futures of a subsequent month; and
2) Holding onto the spot position.

There could also be instances of unwinding both the spot and the future position before the expiry of the current month future if it proves advantageous or to meet redemption. If suitable arbitrage opportunities are not available in the opinion of the Fund Manager, the Scheme may invest in short term debt and money market securities. The Fund Manager will evaluate the difference between the price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for costs and taxes the scheme shall buy the stock in the spot market and sell the same stock in equal quantity in the futures market, simultaneously. The Scheme would also look to avail of opportunities between one futures contract and another. The margin money requirement for the purposes of derivative exposure will be held in the form of Term Deposits, cash or cash equivalents.

Index Arbitrage: The Nifty 50 derives its value from fifty constituent stocks; the constituent stocks (in their respective weights) can be used to create a synthetic index matching the Nifty Index. Also, theoretically, the fair value of a future is equal to the spot price plus the cost of carry. Theoretically, therefore, the pricing of Nifty Index futures should be equal to the pricing of the synthetic index created by futures on the underlying stocks. Due to market imperfections, the index futures may not exactly correspond to the synthetic index futures. The Nifty Index futures normally trades at a discount to the synthetic Index due to large volumes of stock hedging being done using the Nifty Index futures giving rise to arbitrage opportunities. One instance in which an index arbitrage opportunity exists is when Index future is trading at a discount to the index (spot) and the futures of the constituent stocks are trading at a cumulative premium. The fund manager shall endeavour to capture such arbitrage opportunities by taking long positions in the Nifty Index futures and short positions in the synthetic index (constituent stock futures). Based on the opportunity, the reverse position can also be initiated.

Portfolio protection hedging:

The Scheme may use exchange-traded derivatives to hedge the equity portfolio. The fund manager shall either use index futures and options or stock futures and options to hedge the stocks in the portfolio. The fund would endeavour to generate alpha by superior stock selection and removing market risks by selling appropriate index or taking tactical view of market direction. Illustrations of hedging using options– Call Option (Buy): The fund buys a call option at the strike price of say Rs.1000 and pays a premium of say Rs. 50, the fund would earn profits if the market price of the stock at the time of expiry of the option is more than 1050 being the total of the strike price and the premium thereon. If on the date of expiry of the option the stock price is below Rs 1000, the fund will not exercise the option while it loses the premium of Rs. 50. Put Option (Buy): The fund buys a Put Option at Rs 1000 by paying a premium of say Rs 50. If the stock price goes down to Rs. 900, the fund would protect its downside and would only have to bear the premium of Rs 50 instead of a loss of Rs 100 whereas if the stock price moves up to say Rs. 1100 the fund may let the Option expire and forego the premium thereby capturing Rs. 100 upside after bearing the premium of Rs. 50. The Scheme may use both index and stock futures and options to hedge the stocks in the portfolio

Covered Call Strategy: The fund manager may use the covered call strategy by writing call options against an equivalent long position in the underlying security thereby locking in the returns instead of keeping the position open. This strategy allows fund managers to earn premium income in addition to returns locked in from the long underlying. The objective of the strategy is to earn the option premium. This strategy allows the Fund Manager to reduce downside risk (to extent of premium received), thereby resulting in better risk adjusted returns for the Scheme. Covered calls although has inherent risk of loss of upside, i.e. if the share price rises above strike price and it is called away, the option seller forgoes any share price appreciation above the option strike price Illustrations of strategy • Current price of stock A: Rs. 500 per share • 1 contract = 100 shares • Total no of contracts: 10 • Strike price: Rs. 550/- per share • Premium: Rs. 7 per share The following can be the scenarios reflecting risks and benefits at the end of the option expiry: • Case 1 | Stock falls below current price of Rs. 500 per share: The option expires worthless. Hence the loss from the stock position gets reduced to the extent of the premium income. • Case 2 | Stock goes up above current price but remains below Rs. 550 per share (strike price): The option expires worthless. Hence the income from the gains in the stock price gets further boosted to the extent of the premium income. • Case 3 | Stock goes above Rs. 550 per share: Option position goes out of the money for the writer but the losses from the option position are matched by the gains from the underlying stock position above Rs. 550 per share. Hence the return from the position is equal to the return from stock up to the strike price of Rs. 550 per share and the premium income from the option.

Hedging and alpha strategy: The fund will use exchange-traded derivatives to hedge the equity portfolio. The fund manager shall either use index futures and options or stock futures and options to hedge the stocks in the portfolio. The fund will seek to generate alpha by superior stock selection and removing market risks by selling appropriate index. For example, one can seek to generate positive alpha by buying an IT stock and selling CNXIT Index future or buying a bank stock and selling Bank Index futures or buying a stock and selling the Nifty Index

Calendar Spread: Under this strategy, the Scheme attempts to extract and profit from the spread (the difference between buying and selling price) created between two derivative contracts (eg. Futures) of the same underlying instrument but with different expiries

Other Derivative Strategies: As allowed under the SEBI guidelines on derivatives, the fund manager will employ various other stock and index derivative strategies by buying or selling stock/index futures and/or options. For eg. trading strategy that involves matching a long position with a short position in two stock futures with a high correlation

Corporate Action / Event Driven Strategies

1) Dividend Arbitrage: Usually during the period prior to dividend declaration, the stock futures/options can provide a profitable opportunity. Generally, the stock price declines by the dividend amount when the stock goes ex-dividend.
2) Buy-Back Arbitrage: when the company announces the buy-back of its own shares, there could be opportunities due to price differential in buy-back price and traded price.
3) Merger: When the company announces any merger, amalgamation, hive-off, demerger, etc., there could be opportunities due to price differential in the cash and derivative market.
4) Delisting Arbitrage: When a company intends to delist from the stock exchanges, it goes for a Reverse Book Building process and offers an exit price to all existing shareholders. The scheme can take a long position in a stock in case the traded price is below the expected exit price.
5) Convertible Securities Arbitrage (when available): This strategy attempts to extract value from options embedded in convertible securities. Typically, the strategy involves purchasing a convertible security and then hedging the underlying equity security.
6) Merger/ Risk Arbitrage: When the Company announces any merger, amalgamation, hive off, de-merger, etc., there could be opportunities due to price differential in the cash and the derivative market. In case the merger is between 2 listed companies, the arbitrage can be based on the differential between the announced swap ratio and the actual traded prices for the 2 stocks.
7) Rights Offer Arbitrage: When the company announces Right offers at a discounted price, there could be opportunities due to price differential in the Cash and Derivatives market. The scheme can Buy Rights at discounted price and Sell Equilavant Quantity in Futures.

   Though every endeavour will be made to achieve the objectives of the Scheme, the AMC/Sponsors/Trustees do not guarantee that the investment objectives of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

For detailed derivative strategies, **please refer to SAI.**

Portfolio Turnover:

Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of time. Portfolio turnover in the scheme will be a function of market opportunities. The scheme is open-end scheme. It is expected that there would be a number of subscriptions and repurchases on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. There may be an increase in transaction cost such as brokerage paid, if trading is done frequently. However, the cost would be negligible as compared to the total expenses of the Scheme. Frequent trading may increase the profits which will offset the increase in costs. The AMC will endeavour to optimise portfolio turnover to optimise risk adjusted return keeping in mind the cost associated with it.

A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for securities held in the portfolio rather than an indication of change in AMC's view on a security etc. However, the AMC will take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets.

The Scheme has no specific target relating to portfolio turnover.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

Nifty Equity Savings TRI

Justification of Benchmark:
The Scheme is being benchmarked against the Index mentioned above, since Nifty Equity Savings TRI captures performance of a portfolio having exposure to equity, equity arbitrage and debt instruments. This index is a total return index capturing price return and dividend/coupon income. It will also enable the investors to arrive at a more informed judgement on scheme's performance.

As the Scheme invests primarily in equity, arbitrage and fixed income securities thus Nifty Equity Savings TRI is an appropriate benchmark index.

The AMC/Trustee reserves the right to change the benchmark for evaluation of the performance of the Scheme from time to time, subject to SEBI Regulations and other prevailing guidelines if any.

E. WHO MANAGES THE SCHEME?

Name & Age	Qualification	Tenure for scheme management	Type and nature of past experience including assignment held during the last 10 years	Other Schemes Managed
Mr. Sanjeev Sharma 49 years	PGDBA(Fin.), M.com CerTM (Treasury & Forex Risk)	-	He has total work experience of more than two decade in equity, debt, fund management and treasury operations.	• quant Aggressive Hybrid Fund • quant Arbitrage Fund • quant Multi Cap Fund • quant BFSI Fund • quant Business Cycle Fund • quant Commodities Fund • quant Consumption Fund • quant Dynamic Asset Allocation Fund • quant ESG Integration Strategy Fund • quant Flexi Cap Fund • quant Focused Fund • quant Gilt Fund • quant Healthcare Fund • quant Infrastructure Fund • quant Large & Mid Cap Fund • quant Large Cap Fund • quant Liquid Fund • quant Manufacturing Fund • quant Mid Cap Fund • quant Momentum Fund • quant Multi Asset Allocation Fund • quant Overnight Fund • quant PSU Fund • quant Quantamental Fund • quant Small Cap Fund • quant ELSS Tax Saver Fund • quant Teck Fund • quant Value Fund

Mr. Harshvardhan Bharatia 23 years	Bcom (Honours) in Finance CFA Level-1	-	Harshvardhan brings valuable experience in trading global fixed income products, including Secured Overnight Financing Rates (SOFR), Federal Funds Rates (FFR), and Treasury Bonds, from his time at Axxela Research and Analytics. Holding a degree in finance, he leverages various analytical tools to mitigate portfolio risks while maximizing returns. With over a year of experience in the quant MF investment team, Harshvardhan has honed his expertise in credit risk evaluation and interest rate management, skills he uses to strategically position the portfolio for optimal performance.	• quant Liquid Fund • quant Overnight Fund • quant Gilt Fund

Mr. Ankit Pande 40 years	Bachelor of Engineering degree (Electronics & Telecommunications) from the University of Pune. Master's in Business Administration from The Chinese University of Hong Kong CFA – Level III	-	Experience of more than 14 years in Indian equities and of over 3 years in software products with Infosys' core banking software, Finacle. Began his career in equity research in 2011, picking up the (U.S. based) CFA charter in 2015 and MBA from The Chinese University of Hong Kong in 2017. He won the Thomson Reuters StarMine Award for best stock picker in the IT sector in 2014 and is a lifetime member of the Beta Gamma Sigma Honour society.	• quant Aggressive Hybrid Fund • quant Multi Cap Fund • quant BFSI Fund • quant Business Cycle Fund • quant Commodities Fund • quant Consumption Fund • quant Dynamic Asset Allocation Fund • quant ESG Integration Strategy Fund • quant Flexi Cap Fund • quant Focused Fund • quant Healthcare Fund • quant Infrastructure Fund • quant Large & Mid Cap Fund • quant Large Cap Fund • quant Manufacturing Fund • quant Mid Cap Fund • quant Momentum Fund • quant Multi Asset Allocation Fund • quant PSU Fund • quant Quantamental Fund • quant Small Cap Fund • quant ELSS Tax Saver Fund • quant Teck Fund • quant Value Fund

Mr. Varun Pattani 29 years	Chartered Accountant	-	Varun after working briefly at an investment advisory firm, joined quant Mutual Fund in May 2021 as an Investment Analyst. With a strong commitment to a sector agnostic learning approach, he is deeply passionate about identifying investment opportunities and his analytical acumen and forward thinking approach has consistently delivered results. Over the past five years, Varun has cultivated a comprehensive and multi dimensional expertise in active fund management. His skill set includes macroeconomic research, sector and stock analysis, money flow assessments, primary market deal evaluations, and decoding medium to long-term market cycles using historical and macroeconomic data.	• quant Aggressive Hybrid Fund • quant Multi Cap Fund • quant BFSI Fund • quant Business Cycle Fund • quant Commodities Fund • quant Consumption Fund • quant Dynamic Asset Allocation Fund • quant ESG Integration Strategy Fund • quant Flexi Cap Fund • quant Focused Fund • quant Healthcare Fund • quant Infrastructure Fund • quant Large & Mid Cap Fund • quant Large Cap Fund • quant Manufacturing Fund • quant Mid Cap Fund • quant Momentum Fund • quant Multi Asset Allocation Fund • quant PSU Fund • quant Quantamental Fund • quant Small Cap Fund • quant ELSS Tax Saver Fund • quant Teck Fund • quant Value Fund

Ms. Ayusha Kumbhat 25 years	CFA – Level III BSc (Hons) in Economics - University of Warwick MSc in Behavioural & Experimental Economics - University of East Anglia	-	Ayusha had joined quant Mutual Fund as a Research Analyst and have speciality in investment research, economics and strategy. Her strong analytical foundation and quantitative expertise have significantly contributed to the fund's in-depth economic and strategic investment analysis. She has also led engagement initiatives with portfolio companies to inform investment decisions and has effectively utilized data and AI to enhance processes.	• quant Aggressive Hybrid Fund • quant Multi Cap Fund • quant BFSI Fund • quant Business Cycle Fund • quant Commodities Fund • quant Consumption Fund • quant Dynamic Asset Allocation Fund • quant ESG Integration Strategy Fund • quant Flexi Cap Fund • quant Focused Fund • quant Healthcare Fund • quant Infrastructure Fund • quant Large & Mid Cap Fund • quant Large Cap Fund • quant Manufacturing Fund • quant Mid Cap Fund • quant Momentum Fund • quant Multi Asset Allocation Fund • quant PSU Fund • quant Quantamental Fund • quant Small Cap Fund • quant ELSS Tax Saver Fund • quant Teck Fund • quant Value Fund

F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

Following is the list of existing Hybrid Schemes of the fund:

1. quant Aggressive Hybrid Fund
2. quant Multi Asset Allocation Fund
3. quant Dynamic Asset Allocation Fund
4. quant Arbitrage Fund

Comparative table of all existing schemes is available on
https://quantmutual.com/QuantTransaction/QuantTransaction.html

G. HOW HAS THE SCHEME PERFORMED?

This Scheme is a new scheme and hence not applicable.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

This Scheme is a new scheme and and hence additional scheme related disclosures not applicable.

i. Scheme's portfolio holdings - Top 10 holdings by issuer and fund allocation towards various sectors.
ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme.

iii. Functional website link for Portfolio Disclosure
   a. For Monthly Portfolio
   b. For Half yearly Portfolio
iv. Portfolio Turnover Rate

v. Aggregate investment in the Scheme by:

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
	Concerned Scheme's Fund Manager(s)	Units	NAV per unit	
	-	-	-	-

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard **kindly refer SAI.**

vi. **Investments of AMC in the Scheme – This is a new scheme and hence not applicable.**

The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

Subject to the Regulations, the AMC may invest either directly or indirectly, in the Scheme during Ongoing Offer Period. However, the AMC shall not charge any investment management fee on such investment in the Scheme.

As per the amended regulations i.e. sub-regulation 16(A) in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 ('MF Regulations'), the asset management companies ('AMCs') are required to invest such amount in such scheme(s) of the mutual fund, based on the risk associated with the scheme, as may be specified by the Board from time to time.

Accordingly, it is decided that based on the risk value assigned to the scheme(s), in terms of Clause 17.4 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the AMC shall invest minimum amount as a percentage of assets under management ('AUM') in their scheme(s) in line with the Clause 6.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024.

Part III- OTHER DETAILS

A. COMPUTATION OF NAV

The Net Asset Value (NAV) per Unit under the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation day. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

The broad valuation norms policies w.r.t computation of NAV, rounding off, procedure in case of delay in disclosure of NAV etc. are detailed in the SAI.

The Net Assets Value (NAV) of the Units under the Scheme shall be calculated as shown below:
NAV (Rs.) = [(Assets + Income) – (Liabilities + Expenses)] / Number of units outstanding

Where the assets include the value of securities and liquid cash. The securities in which the scheme has invested include both equity, debentures, bonds, bills of exchange, commercial paper. It also includes the interest accrued and dividend earned.

The liabilities and expenses include the money payable, interest payable, fund management expenses.

The NAV shall be calculated up to two decimal places. However the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate. Separate NAV will be calculated and disclosed for each Option. The NAVs of the Growth Option and the IDCW Option under each of the Plans will be different after the declaration of the first IDCW.

The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently, the NAVs will be calculated and disclosed on all the Business Days.

Illustration on Computation of NAV:

Particulars	Amount (in Rs)	Asset/ Liability
Securities	500,000	Asset
Cash and cash equivalent	300,000	Asset
Receivables	200,000	Asset
Accrued Interest	50,000	Asset
Total Assets	1,050,000	
Short-term liabilities	200,000	Liability
Long-term liabilities	150,000	Liability
Accrued Expenses	100,000	Expense
Total Liabilities and expenses	450,000	

Particulars	Amount (Rs)
Total Assets (A)	1,050,000
Total Liabilities and expenses (B)	450,000
Net Asset value = (A – B)	600,000
Total units outstanding	1,000
NAV per unit	600 per unit

Any change in Load structure will be effective on prospective basis and will not affect the existing Unit holder in any manner. However, the Mutual Fund will ensure that the Redemption Price will not be lower than 95% of the Applicable NAV. The Purchase Price shall be at applicable NAV.

Methodology for calculation of sale and re-purchase price of the units of mutual fund scheme:

Let's assume that the NAV of a Mutual Fund Scheme on April 01, 2018 is Rs. 10/-.

Purchase of mutual fund units:

The Purchase Price of the Units on an ongoing basis will be same as Applicable NAV.
Purchase Price = Applicable NAV
In the above example, purchase is done on April 01, 2018, when the Applicable NAV = Rs. 10/-
Therefore, Purchase Price = Rs. 10/-
As per existing Regulations, no entry load is charged with respect to applications for purchase / additional purchase of mutual funds units.

Redemption/Re-purchase of mutual fund units

The Redemption Price of the Units will be calculated on the basis of the Applicable NAV subject to prevailing Exit Load, if any. In case of redemption, the amount payable to the investor shall be calculated as follows:
Redemption Price = Applicable NAV * (1 - Exit Load)
Say, in the above example the exit load applicable is:
For exit on or before 12 months from the date of allotment – 1.00%
For exit after 12 months from the date of allotment – Nil.

Scenario 1: Redemption is done during applicability of exit load

In case the investor requests for redemption on or before 12 months i.e. on or before March 31, 2019; say December 1, 2018, when the NAV of the scheme is Rs. 12/- and the exit load applicable is 1%, so the Redemption amount payable to investor shall be calculated as follows:

Redemption Price = Applicable NAV * (1 - Exit Load)
= Rs. 12 * (1-1%) = Rs. 11.88/-

Scenario 2: Redemption is done when the exit load is NIL

In case the investor requests for redemption after 12 months i.e. after March 31, 2019; say April 1, 2019, when the NAV of the scheme is Rs. 12/- and the exit load applicable is NIL, so the Redemption amount payable to investor shall be calculated as follows:

Redemption Price = Applicable NAV * (1 - Exit Load)
= Rs. 12 * (1-0) = Rs. 12/-

The aforesaid example does not take into consideration any applicable statutory levies or taxes. Accordingly, the redemption amount payable to investor shall further reduce to the extent of applicable statutory levies or taxes.

B. NEW FUND OFFER EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

The NFO expenses for launch of scheme will be borne by the AMC.

C. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 2.25 % of the daily net assets of the Scheme will be charged as expenses. For the actual current expenses being charged, the investor should refer to the website of the AMC www.quantmutual.com.

Expense Head	% of daily Net Assets
Investment Management and Advisory fees	Upto 2.25%
Trustee fees	
Audit fees	
Custodian fees	
RTA fees	

Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW redemption cheques and	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
Goods & Service Tax (GST) on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses*	
Maximum total expense ratio (TER) permissible under Regulation 52(6)(c)	
Additional expenses under regulation 52(6A)(c)	Upto 0.05%
Additional expenses for gross new inflows from specified cities under regulation 52(6A)(b)	Upto 0.30%

*Any other expenses which are directly attributable to the Scheme, may be charged with the approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular Plan.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations can be apportioned under various expense heads/ sub heads without any sub limit, as permitted under the applicable regulations. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively. Further, the additional expenses under Regulation 52(6A)(c) may be incurred either towards investment & advisory fees and/or towards other expense heads as stated above.

These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se or in total subject to prevailing Regulations.The recurring expenses of the Scheme (including the Investment Management and Advisory Fees) shall be as per the limits prescribed under the Regulation 52(6) of SEBI (MF) Regulations. These are as follows:

Assets under management Slab (In Rs. crore)	**Total expense ratio limits**
On the first Rs. 500 crores of the daily net assets	2.25%
On the next Rs. 250 crores of the daily net assets	2.00%
On the next Rs. 1250 crores of the daily net assets	1.75%
On the next Rs. 3000 crores of the daily net assets	1.60%
On the next Rs. 5000 crores of the daily net assets	1.50%
On the next Rs. 40,000 crores of the daily net assets	Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof.
On the balance of the assets	1.05%

The total expenses of the Scheme(s) including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6) of the SEBI (MF) Regulations and amendments thereto.

Expenses charged to the Scheme:

A. In addition to the limits as specified in Regulation 52(6) of SEBI (MF) Regulations 1996 or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the Scheme namely-

Additional expenses for gross new inflows from specified cities.

a) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI/AMFI from time to time are at least -

i. 30 per cent of gross new inflows in the Scheme, or;

ii. 15 per cent of the average assets under management (year to date) of the Scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the Scheme shall be charged on proportionate basis.

Provided further that, expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

Provided further that, additional TER can be charged based on inflows only from retail investors in terms of Clause 10.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024. For this purpose, inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from “retail investor”.

b) additional expenses, incurred towards different heads mentioned under Regulations 52(2) and 52(4), not exceeding 0.05 per cent of daily net assets of the Scheme;

c) GST payable on investment and advisory service fees (‘AMC fees’) charged by quant Money Managers Limited;

Further, brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment shall not exceed 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

B. Within the Total Expense Limit chargeable to the scheme, following will be charged to the Scheme:

a) GST on other than investment and advisory fees, if any, (including on brokerage and transaction costs on execution of trades) shall be borne by the Scheme

b) Investor education and awareness initiative fees of at least 2 basis points on daily net assets of the Scheme.

C. AMC fees charged by quant Money Managers Limited to the scheme will be within the Total Expense Limit as prescribed by SEBI Regulations, as amended from time to time.

Expenses over and above the prescribed limit shall be charged / borne in accordance with the Regulations prevailing from time to time.

The mutual fund would update the current expense ratios on its website (www.quantmutual.com) atleast three working days prior to the effective date of the change. Investors can refer ‘Total Expense Ratio of Mutual Fund Schemes’ section on https://quantmutual.com/Total-Expense-Ratio for Total Expense Ratio (TER) details.

Illustration of impact of expense ratio on scheme's returns

For any scheme, NAV is computed on a daily basis factoring in all the assets as well as liabilities of the Scheme (including expenses charged). Expenses charged to the Scheme bring down its NAV and hence the investor's net returns on a corresponding basis.

Illustration:

Particulars	Regular Plan (Amount in Rs.)	Direct Plan (Amount in Rs.)
Amount Invested at the beginning of the year	10,000	10,000
Returns before Expenses	1,500	1,500
Expenses other than Distribution Expenses	150	150
Distribution Expenses	50	-
Returns after Expenses at the end of the Year	1,300	1350
Returns after Expenses at the end of the Year (in %)	13%	13.5%

Please Note:

- The purpose of the above illustration is purely to explain the impact of expense ratio charged to the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- It is assumed that the expenses charged are evenly distributed throughout the year. The expenses of the Direct Plan under the Scheme may vary with that of the Regular Plan under the Scheme.
- Calculations are based on assumed NAVs, and actual returns on your investment may be more, or less.
- Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to consult his or her own financial advisor.

D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, investors may refer to the website of the AMC (www.quantmutual.com) or may call at 022-6295 5000 from 09.00 am to 06.00 pm (Monday to Friday) or can contact his distributor**.**

Type of Load	Load chargeable (as %age of NAV)
Exit Load	1 % if redeemed/switched out on or before before completion of 15 days from the date of allotment of units.

Units issued on reinvestment of IDCW shall not be subject to Load. No load shall be levied on switches between options and sub-options of the Scheme.

The above mentioned load structure shall be equally applicable to the special products such as switches, STP, SWP, etc. offered by the AMC. Further, for switches between the Growth and IDCW Option, no load will be charged by the Scheme. Also, for switches between the Plans i.e. between Regular and Direct Plan or vice versa, no load will be charged by the Scheme.

Exit load, if any, charged to the investors will be credited back to the Scheme net of GST. The Investor is requested to check the prevailing Load structure of the Scheme before investing.

For any change in Load structure, AMC will issue an addendum and display it on the website/ Investor Service Centres.

Under the Scheme, the AMC/ Trustee reserves the right to change / modify the Load structure if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund. The AMC/ Trustee reserves the right to introduce / modify the Load depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the Regulations.

The Redemption Price however, will not be lower than 95% of the NAV. Any imposition or enhancement of Load in future shall be applicable on prospective investments only.

At the time of changing the Load Structure:

1. An Addendum detailing the changes will be attached to Scheme Information Document and Key Information Memorandum. The addendum may be circulated to all the distributors / brokers so that the same can be attached to all Scheme Information Document and Key Information Memorandum already in stock.
2. The addendum will be displayed on the website of the AMC and arrangements will be made to display the addendum in the form of a notice in all the Investor Service Centres and distributors / brokers office.
3. The introduction of the Exit Load alongwith the details may be stamped in the acknowledgement slip issued to the Investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such Load.
4. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
5. Any other measure which the Mutual Fund may consider necessary.

The Trustee/AMC reserves the right to change the load structure subject to the limits prescribed under the Regulations. Any change in load structure shall be only on a prospective basis i.e. any such changes would be chargeable only for Redemptions from prospective purchases (applying first in first out basis).

Section II

I. Introduction

A. Definitions/interpretation

https://quantmutual.com/Pdf/Definitions_and_Interpretation.pdf

B. RISK FACTORS

Scheme Specific Risk Factors

"Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies".

"The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments''
The performance of the scheme may be affected by the corporate performance, macroeconomic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the scheme's investments. Transacting may become difficult due to extreme volatility in the market resulting in constriction in volumes. Additionally, changes in the SEBI/ RBI regulations/Guidelines may have an adverse impact on the liquidity of the scheme. Different segments of the Indian financial markets have different settlement periods, and such period may be extended significantly by unforeseen circumstances. The length of time for settlement may affect the Scheme in the event the Scheme has to meet an inordinately large number of redemption requests. In addition, the Trustee, at its sole discretion, reserves the right to limit or withdraw sale and/or repurchase/redemption and/or switching of the units in the scheme (including any one of the Plans of the scheme) temporarily or indefinitely under certain circumstances. The scheme will retain certain investments in cash or cash equivalent for the day-to-day liquidity requirements. In case of a large redemption, the scheme may need to reverse the spot-futures transaction before the date of futures' settlement. This eventuality may lead to the basis risk. While reversing the spot-futures transaction on the Futures & Options settlement day on the National Stock Exchange, there could be a risk of volume-weighted-averageprice of the market being different from the price at which the actual reversal is processed. This may result in basis risk.

1. Risks associated with Equity and Equity related securities

• Market Risk: The scheme proposes to invest in equity and equity-related securities. Prices, trading volumes, settlement periods and transfer procedures may restrict liquidity of investments in equity and equity-related securities. Market risk is a risk which is inherent to an equity investment. ♣ Liquidity Risk: Risk will be monitored in terms of the number of days it takes to liquidate every stock in the portfolio assuming a share of the average volume traded over the previous one year. Efforts would be made to keep the average liquidation period under prudent limits prescribed internally. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments may be limited by overall trading volumes of the stock exchanges. ♣ Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options.

Additionally, the liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment. ♣ Liquidity in Equity investments may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities. These factors can also affect the time taken by quant Mutual Fund for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described in the Statement of Additional Information. ♣ Potential Loss associated with Derivative Trading pertaining to Equity Markets: a) In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta. b) The risk (loss) for an options buyer is limited to the premium paid, while the risk (loss) of an options writer is unlimited, the latter's gains being limited to the premiums earned. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. ♣ Concentration Risk: Scheme may restrict its investments only to a particular sector. If the sector, for any reason, fails to perform, the portfolio value will plummet, and the Investment Manager will not be able to diversify the investment in any other sector. Investments under this scheme will be in a portfolio of diversified equity or equity related stocks spanning across a few selected sectors. Hence the concentration risks could be high.

2. Risk Factors associated with investment in Fixed Income Securities

• Interest rate risk: This risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of debt instruments. Consequently, the Net Asset Value of the scheme may be subject to fluctuation. Changes in the interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby possible movements in the NAV. This may expose the scheme to possible capital erosion

• Credit risk or default risk: This refers to the risk that an issuer of a fixed income security may default (i.e. will be unable to make timely principal and interest payments on the security). Default risk / credit risk arises due to an issuer's inability to meet obligations on the principal repayment and interest payments. Because of this risk corporate debentures are sold at a yield above those offered on Government Securities, which are sovereign obligations and free of credit risk. Normally the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk. • Market risk: This risk arises due to price volatility due to such factors as interest sensitivity, market perception or the credit worthiness of the issuer and general market liquidity, change in interest rate expectations and liquidity flows. Market risk is a risk which is inherent to investments in securities. This may expose the scheme to possible capital erosion. • Reinvestment risk: This risk refers to the interest rate levels at which cash flows received for the securities in the Scheme are reinvested. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate. The additional risk from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed. • Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk today is a characteristic of the Indian fixed income market. • Certain fixed income securities give an issuer the right to call its securities, before their maturity date, in periods of declining interest rates. The possibility of such prepayment risk may force the fund to re-invest the proceeds of such investments in securities offering lower yields, thereby reducing the fund's interest income. • The scheme may invest in non-publicly offered debt securities. This may expose the scheme to liquidity risks. • Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risks. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated. • Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme. • The use of an Interest Rate Swap ('IRS') does not eliminate the credit (default) risk on the original investment. While the fixed to floating rate IRS reduces interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline. In case of a floating to fixed rate swap, any subsequent rise in interest rates will result in a loss like in any fixed rate investment. Any IRS carries, the risk of default of the counter party to the swap, which may lead to a loss. Such loss is usually, a small proportion of the notional principal amount of the swap. • Basis Risk: During the life of floating rate security or a swap the underlying benchmark index may become less active and may not capture the actual movement in the interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio. Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve.

3. Risks associated with Derivatives

• Derivatives are high risk, high return instruments as they may be highly leveraged. A small price movement in the underlying security could have a large impact on their value and may also result in a loss. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. • Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. • The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue. • The Stock Exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio. • In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta. • The risks associated with futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mispricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. • The Long position in the Index (e.g. Nifty Index) will have as much loss as the gain in the short portfolio if hedged completely and would be vice versa if we were holding long portfolio, short Index. • While Futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time for scheme to purchase or close out a specific futures contract. • The risk (loss) for an options buyer is limited to the premium paid, while the risk (loss) of an options writer is unlimited, the latter's gains being limited to the premiums earned. However, in the case of quant Mutual Fund, all option positions will have underlying assets and therefore all losses due to price movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. • Risks associated with writing Covered Call Options for Equity Shares A call option gives the holder (buyer) the right but not the obligation to buy an asset by a certain date for a certain price. Covered calls are an options strategy where a person holds a long position in an asset and writes (sells) call options on that same asset to generate an income stream. The Scheme may write call options under covered call strategy, as permitted by the regulations. Risks associated thereto are mentioned below: - Opportunity cost: A covered call strategy limits the upside potential of the underlying stock. If the stock rises sharply, the gains above the call option's strike price will be missed out. When the underlying asset's price rises above the strike price, the short call loses its value as much as the underlying stock gains and as a result the upside of the stock always gets capped. Downside risk is reduced by writing covered call options. - Exit issues / Illiquidity risk: If the strike price at which the call option contracts have been written become illiquid, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity. Also, if covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately in case where the view changes to sell and exit the stock. - The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the scheme. This may restrict the ability of scheme to utilize options strategies. • The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue. • The Stock Exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio. • The certain risk factors arising out of a derivative strategy may be as below: - Lack of opportunity available in the market. - Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place. - Exchanges could raise the initial margin, variation margin or other forms of margin on derivative contracts, impose one sided margin or insist that margins be placed in cash. All of these might force positions to be unwound at a loss and might materially impact returns. • Interest rate swaps and Forward Rate Agreement require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the "counter-party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.

4. Risks associated with Securitised Debts

The Risks involved in Securitised Papers described below are the principal ones and does not represent that the statement of risks set out hereunder is exhaustive. • Limited Liquidity & Price Risk There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them. • Limited Recourse, Delinquency and Credit Risk The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor. • Risks due to possible prepayments and Charge Offs In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs). • Bankruptcy of Bank with Liquidity facility If the Bank with Liquidity facility, becomes subject to bankruptcy proceedings then an investor could experience losses or delays in the payments. • Risk of Co-mingling With respect to the Certificates, the Servicer will deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

5. Risks associated with Securities Lending

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

6. Risk factors associated with processing of transaction through Stock Exchange Mechanism

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the AMC has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

7. Risk factors associated with investment in Tri-Party Repo

All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by Clearing Corporation of India (CCIL). This reduces the settlement and counterparty risks considerably. Mutual funds are member of securities segment and Triparty Repo trade settlement of CCIL. The members are required to contribute an amount from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the nondefaulting members. Thus, the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. Additionally, the fund contribution is allowed to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL maintains two separate Default Funds with respect to the Securities Segment. One with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. Therefore, mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

8. Risk factors associated with REITs and InvITs:

● Price Risk: Securities/Instruments of REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices is a fluctuation in general market conditions, factors and forces affecting capital market, Real Estate and Infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures. ● Interest Rate Risk: Securities/Instruments of REITs and InvITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase. ● Credit Risk: Credit risk means that the issuer of a REIT/InvIT security/ instrument may default on interest payment or even on paying back the principal amount on maturity. Securities/ Instruments of REITs and InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled. ● Liquidity Risk: This refers to the ease with which securities/instruments of REITs/InvITs can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities/instruments for which a liquid market exists. As these products are new to the market they are likely to be exposed to liquidity risk. ● Reinvestment Risk: Investments in securities/instruments of REITs and InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or Dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower return

- Legal and Regulatory Risk: The regulatory framework governing investments in securities/instruments of REITs and InvITs comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Presently, it is difficult to forecast as to how any new laws, regulations or standards or future amendments will affect the issuers of REITs/InvITs and the sector as a whole. Furthermore, no assurance can be given that the regulatory system will not change in a way that will impair the ability of the Issuers to comply with the regulations, conduct the business, compete effectively or make distributions.

9. Risk factors associated for investments in Mutual Fund Schemes

1. Movements in the Net Asset Value (NAV) of these Schemes may impact the performance. Any change in the investment policies or fundamental attributes of these Schemes will affect the performance of the Scheme to the extent of investment in such schemes.
2. Redemptions in these Schemes would be subject to applicable exit loads.

C. Risk mitigation strategies

Equity: • Liquidity Risk: The fund will try to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks. • Concentration Risk: The scheme will endeavour to have a well-diversified equity portfolio comprising stocks across various sectors of the economy. This would aid in managing concentration risk and sector-specific risks. Generally, diversification across market cap segments also aids in managing volatility and ensuring adequate liquidity at all times.

Derivatives: The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Equity Derivatives will be used in the form of Index Options, Index Futures, Stock Options and Stock Futures and other instruments as may be permitted by SEBI. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. The fund will endeavour to maintain adequate controls to monitor the derivatives transactions entered into.

Debt • Interest Rate Risk: The Fund seeks to mitigate this risk by keeping the maturity of the scheme in line with the interest rate expectations. • Credit risk or default risk: Management analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken. • Reinvestment Risk: Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value. • The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Interest Rate Swaps will be done with approved counter parties under pre-approved ISDA agreements. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines. • Liquidity or Marketability Risk: Liquidity risk may be high on select securities due to duration and/or issue structure and/ or issuer-specific risk. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.

II. Information about the scheme:

A. Where will the scheme invest?

The corpus of the Scheme, subject to the enabling provisions of asset allocation pattern, will be invested in securities/ instruments which will include but not limited to:

• Equity and equity related instruments:

Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares and equity derivatives.

• Debt Securities:

Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares.

• Money Market Instruments include:

1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.

Investments In Derivative Instruments

As part of the Fund Management process, the Trustee may permit the use of derivative instruments such as index futures, stock futures and options contracts, warrants, convertible securities, swap agreements, Forward Rate Agreement (FRA) or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the scheme. Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures/options can be an efficient way of achieving the scheme's investment objective. On the fixed income side, an interest rate swap agreement from fixed rate to floating rate is an example of how derivatives can be an effective hedge for the portfolio in a rising interest rate environment. Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on Stock Exchanges whereas OTC derivative transactions are generally structured between two counterparties. Derivatives may be high risk - high return instruments, upon leveraging. As they are highly leveraged, a small price movement in the underlying security could have a large impact on their value and may also result in a loss.

Position Limits:

The scheme may enter into derivative transactions in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time. Trading in derivatives by the scheme shall be restricted to hedging and portfolio balancing purposes.

Currently, the position limits for Mutual Funds and its schemes, as permitted by the SEBI Regulations, are as under: The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme. Exposure due to hedging positions may not be included in the above mentioned limit subject to the following: • Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains. • Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned above. • Any derivative instrument used to hedge has the same underlying security as the existing position being hedged. • The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken. • Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned above. Further, the total exposure related to option premium paid must not exceed 20% of the net assets of the scheme. Pursuant to SEBI letter dated November 03, 2021, Cash or cash equivalents shall consist of following securities having residual maturity of less than 91 days which are not considered for the purpose of calculating gross exposure limit:

1) Government Securities
2) T-Bills
3) Repo on Government Securities

Exposure to Derivatives The exposure limits for trading in derivatives by Mutual Funds specified by SEBI vide its clause 12.25 of Master Circular dated June 27, 2024 and as amended from time to time are as follows:

A. Position limit for Mutual Funds in index options contracts:

1. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
2. This limit would be applicable on open positions in all options contracts on a particular underlying index.

B. Position limit for Mutual Funds in index futures contracts:

1. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
2. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

C. Additional position limit for hedging In addition to the position limits at point (A) and (B) above,

Mutual Funds may take exposure in equity index derivatives subject to the following limits:

1. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
2. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments

D. Position limit for Mutual Funds for stock based derivative contracts:

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts shall be 20% of the applicable Market Wide Position Limit (MWPL). Position limit for each scheme of a Mutual Fund The position limits for each scheme of mutual fund and disclosure requirements shall be identical to that prescribed for a sub-account of a FII. Therefore, the scheme-wise position limit/disclosure requirements shall be –

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares) Or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts)
2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
3. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

Purpose of investment: – Trading in derivatives by the scheme shall be restricted to hedging and portfolio balancing purposes. – The scheme shall fully cover its positions in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market. – Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose. – The securities held shall be marked to market by the AMC to ensure full coverage of investments made in derivative products at all time.

- **The Scheme may take position in derivative instruments like Futures, Options, and such other derivative instruments as may be permitted by SEBI from time to time**.

Valuation: – The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. – The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Stock and Index Options: Option contracts are of two types - Call and Put; the former being the right, but not obligation, to purchase a prescribed number of shares at a specified price before or on a specific expiration date and the latter being the right, but not obligation, to sell a prescribed number of shares at a specified price before or on a specific expiration date. The price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options. In India, all individual stock options are American Options, whereas all index options are European Options. Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price. Strategies that employ Options: Buying a Call Option: Let us assume that the Fund buys a call option of XYZ Ltd. with strike price of Rs. 1000, at a premium of Rs. 25. If the market price of ABC Ltd on the expiration date is more than Rs. 1000, the option will be exercised. The Fund will earn profits once the share price crosses Rs. 1025 (Strike Price + Premium i.e. 1000+25). Suppose the price of the stock is Rs. 1100, the option will be exercised and the Fund will buy 1 share of XYZ Ltd. from the seller of the option at Rs 1000 and sell it in the market at Rs. 1100, making a profit of Rs. 75. In another scenario, if on the expiration date the stock price fall below Rs. 1000, say it touches Rs. 900, the Fund will choose not to exercise the option. In this case the Fund loses the premium (Rs. 25), which will be the profit earned by the seller of the call option. Risks: In case of buying options either call/put, the maximum loss would be the premium paid in case of options expiring out of the money. Buying a Put Option: Let us assume the Fund owns the shares of XYZ Ltd, which is trading at Rs. 500. The fund wishes to hedge this position in the short-term as it perceives some downside to the stock in the short-term. It can buy a Put Option at Rs. 500 by paying a premium of say Rs, 10/- In case the stock goes down to Rs. 450/- the fund has protected its downside to only the premium i.e Rs 10 instead of Rs. 50. On the contrary if the stock moves up to say Rs. 550/- the fund may let the Option expire and forego the premium thereby capturing Rs. 40/- upside. The strategy is useful for downside protection at cost of foregoing some upside. Risks: In case of buying options either call/put, the maximum loss would be the premium paid in case of options expiring out of the money. Stock and Index Futures: The Stock Exchange, Mumbai and the National Stock Exchange have introduced Index futures on BSE Sensex (BSE 30) and Nifty (NSE-50). Generally, three futures of 1 month, 2 months and 3 months are presently traded on these exchanges. These futures will expire on the last working Thursday of the respective month. There are futures based on stock indices as mentioned above as also futures based on individual stocks. Individual stock futures are also widely used derivative instruments for enhancing portfolio returns. Stock futures trade either at a premium or at discount to the spot prices, usually the level of premium reflective of the cost of carry. Many a times the stock-specific sentiments too have a bearing on Futures as speculators may find futures as a cost-effective way of executing their view on the stock. However such executions usually increase the premium/discount to the spot significantly, thereby giving rise to clean arbitrage opportunities for a fund. Strategies that employ Index Futures: Illustrative list of strategies that can employ index futures: (a) The fund has an existing equity portion invested in a basket of stocks. In case the fund manager has a view that the equity markets are headed downwards, the fund can then hedge the exposure to equity either fully or partially by initiating short futures positions in the index. A similar position in the long direction can also be initiated by the fund to hedge its position of cash and permissible equivalents. The extent to which this can be done is determined by existing guidelines. (b) To the extent permissible by extant regulations the scheme can initiate a naked short position in an underlying index future traded on a recognized stock exchange.

In case the Nifty near month future contract trading at say, 1850, and the fund manager has a view that it will depreciate going forward, the fund can initiate a sale transaction of nifty futures at 1850 without holding a portfolio of equity stocks or any other underlying long equity position. Once the price falls to 1800 after say, 20 days the fund can initiate a square-up transaction by buying the said futures and book a profit of 50. Correspondingly the fund can take a long position without an underlying cash/ cash equivalent subject to the extant regulations. Risks: • The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis– pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. • The Long position in the Nifty will have as much loss as the gain in the short portfolio if hedged completely and would be vice versa if we were holding long portfolio, short Index. Strategies that employ Stock Futures: Sell Spot Buy Future: To illustrate, let us assume the fund holds the stock XYZ Ltd which is trading @ Rs. 100/- at the spot market. If for some reasons the stock trades at Rs. 98 in the futures, the fund may sell the stock and buy the futures. On the date of expiry, the fund may reverse the transactions (i.e. Buy Spot & Sell futures) and earn a risk-free Rs. 2/- (2% absolute) on its holdings. Since this is done without diluting the fund's view on the underlying stock, the fund will benefit from any upside move i.e. if on the date of futures expiry, the stock is trading at Rs. 110/- the futures too will be trading at Rs. 110- and the fund will capture the 10% upside the stock provided and along with it the 2% arbitrage too, thereby enhancing returns to 12% Risks: • While Futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time for scheme to purchase or close out a specific futures contract. • The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis– pricing of the futures. Buy Spot Sell Future: If the fund holds a stock XYZ Ltd which trades @ Rs 100/- at the spot market and is trading at Rs. 102/- in the futures market. The fund may buy the spot and sell the futures and earn the premium of Rs.2 /- which is risk-free. However this strategy can be used only when the fund is sitting in cash and is looking at enhancing the returns on the cash. Risks: • While Futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time for scheme to purchase or close out a specific futures contract. • The risks associated with stock futures are similar to those associated with equityinvestments. Additional risks could be on account of illiquidity and potential mis– pricing of the futures. Sell Future: This helps in shorting the market and taking a direct short position in the market. Futures facilitate a short position if fund manager has a bearish view in the market. A sold Futures can be re-purchased any time up to the date of its expiry. If not repurchased, it is automatically squared off on the expiry date at Spot Rate. Risks: The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Buy Future: If the fund wants to initiate a long position in a stock whose spot price is at say, Rs.100 and futures is at 98, the fund may just buy the futures contract instead of the spot thereby benefiting from a lower cost option. Risks: The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Interest Rate Swaps: The Indian markets have faced high volatility in debt and equity markets. An interest rate swap is a contractual agreement between two counter-parties to exchange streams of interest amount on a national principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis. The Scheme may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if Scheme is transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable. Purpose of Interest Rate Swaps: - The Indian markets have faced high volatility in debt and equity markets. An interest rate swap is a contractual agreement between two counter-parties to exchange streams of interest amount on a national principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis. The scheme shall use derivative position for hedging the portfolio risk on a nonleverage basis. The scheme shall fully cover their positions in the derivatives market by holding underlying securities / cash or cash equivalents / option and / or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market. Let us look at an example of an interest rate swap: Entity A has Rs.20 crores, 3 month asset which is being funded through call. Entity B, on the other hand, has deployed Rs.20 crores in overnight call money market, 3 month liability. Both the entities are taking on an interest rate risk. To hedge against the interest rate risk, both the entities can enter into a 3 month swap agreement based on say MIBOR (Mumbai Inter Bank Offered Rate). Through this swap, entity B will receive a fixed pre-agreed rate (say 8%) and pay NSE MIBOR ("the benchmark rate") which will neutralize the interest rate risk of lending in call. Similarly, entity A will neutralize its interest rate risk from call borrowing as it will pay 8% and receive interest at the benchmark rate. Assuming the swap is for Rs.20 crores 1 September to 1 December, Entity A is a floating rate receiver at the overnight compounded rate and Entity B is a fixed rate receiver. On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On December 1, they will calculate as explained below:

Entity A is entitled to receive daily compounded call rate for 92 days and pay 8% fixed. Entity B is entitled to receive interest on Rs.20 crores @ 8% i.e. Rs.40.33 lakhs, and pay the compounded benchmark rate. Thus on December 1, if the total interest on the daily overnight compounded benchmark rate is higher than Rs.40.33 lakhs, entity B will pay entity A the difference and vice versa. Forward Rate Agreement (FRA) A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

Example: Let us assume that a scheme has an investment of Rs.10 crore in an instrument that pays interest linked to NSE Mibor. Since the NSE Mibor would vary daily, the scheme is running interest rate risk on its investment and would stand to lose if rates go down. To hedge itself against this risk, the scheme could do an IRS where it receives a fixed rate. (assume 10%) for the next 5 days on the notional amount of Rs. 10 crore and pay a floating rate (NSE Mibor). In doing this, the scheme would effectively lock itself into a fixed rate of 10% for the next five days. The steps would be: 1. The scheme enters into an IRS on Rs. 10 crore from December 1 to December 6. It receives a fixed rate of interest at 10% and the counter party receives the floating rate (NSE Mibor). The scheme and the counter party exchange a contract of having entered into this IRS. 2. On a daily basis, the NSE Mibor will be tracked by the counterparties to determine the floating rate payable by the scheme. 3. On December 6, the counterparties will calculate the following: • The scheme will receive interest on Rs. 10 crore at 10% p.a. for 5 days i.e. Rs.1,36,986/- • The scheme will pay the compounded NSE Mibor for 5 days by converting its floating rate asset into a fixed rate through the IRS. • If the total interest on the compounded NSE Mibor rate is lower than Rs. 1,36,986/-, the scheme will receive the difference from the counterparty and vice-versa. In case the interest on compounded NSE Mibor is higher, the scheme would make a lower return than what it would have made had it not undertaken IRS. Risks: Interest rate swaps and Forward Rate Agreement require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the “counter-party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion. As is clear from the above examples, engaging in derivatives has the potential to help the scheme in minimising the portfolio risk and/or improve the overall portfolio returns. Please note these examples are hypothetical in nature and are given for illustration purposes only. The actual returns may vary depending on the market conditions. The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.

SECURITIES LENDING.

If permitted by SEBI under extant regulations/guidelines, the Scheme may also engage in scrip lending as provided under Securities Lending Scheme 1997, as per Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024, and other applicable guidelines/regulations, as amended from time to time. Scrip lending means lending a security to another person or entity for a fixed period of time, at a negotiated compensation. The security lent will be returned by the borrower on or before the expiry of the stipulated period. The AMC will comply with the required reporting obligations and the Trustee will carry out the reviews required under SEBI/RBI guidelines. Further a maximum of 20% of net assets will be deployed in securities lending and the maximum single party exposure will be restricted to 5%# of net assets outstanding at any point of time.
Presently, Securities lending and borrowing (SLB) is an Exchange traded product. Counterparty is not known for transactions carried out under SLB segment and they are guaranteed by Clearing Corporations and hence do not carry any counter party risk. Accordingly, single party exposure limit will not apply to trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified. Engaging in scrip lending is subject to risks related to fluctuations in the collateral value / settlement / liquidity / counter party.

INVESTMENT IN SECURITISED DEBT

1. **How the risk profile of securitized debt fits into the risk appetite of the scheme**

Securitization is the fact or process of securitizing assets i.e. the conversion of loans into securities, usually in order to sell them on to other investors. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However, it differs mainly in two respects. One, the liquidity of securitized debt is less than similar debt securities. Two, for certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk. Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged. Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. After considering these additional risks, the investment is no different from investment in a normal debt security. Considering the investment objective of the scheme, these instruments with medium risk profile can be considered in the investment universe. Thus if the Fund Manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table.

2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc

Investments in securitized debt will be done based on the assessment of the originator and the securitized debt which is carried out by the Fixed Income team based on the in-house research capabilities as well as the inputs from the independent credit rating agencies and by following quant Mutual Fund's internal credit process. Specifically, in order to mitigate the risk at the issuer/originator level the Fixed Income team will consider various factors which will include - - Track record of the originator in the specific business to which the underlying loans correspond to; - size and reach of the issuer/originator; - Collection infrastructure & collection policies; - Post default recovery mechanism & infrastructure; - Underwriting standards & policies followed by originator; - Management information systems; - Financials of the originators including an analysis of leverage, NPAs, earnings, etc.; - Future strategy of the company for the specific business to which the underlying loans correspond to; - Performance track record of Originator's portfolio & securitized pools, if any; - Utilization of credit enhancement in the prior securitized pools; - The quality of information disseminated by the issuer/ originator; and - The credit enhancement for different types of issuer/originator. Also, assessment of business risk would be carried out which includes - - Outlook for the economy (both domestic and global); and - Outlook for the industry

In addition, the fund analyses the specific pool and the broad evaluation parameters are as follows: - Average seasoning of the loans in the pool - Average Loan to value ratio of the loans in the pool - Average ticket size of the loans - Borrower profile (salaried / self employed, etc) - Geographical profile of the pool - Tenure profile of the pool - Obligor concentration - Credit enhancement cover available over and above the historic losses on Originator's portfolio - Expected Prepayment rate in the specific asset class experienced by the originator in the past as well as the industry - Limited Liquidity and Price Risk. The scheme will invest in securitized debt which are rated investment grade and above by a credit rating agency recognized by SEBI. The investment team analyses the Rating Rationale in detail before investing in any PTCs, and also discusses with the concerned rating agency on a need basis. The rating agency would normally take in to consideration the following factors while rating a securitized debt:

Credit risk at the asset/originator/portfolio/pool level

- The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are 'cherry-picked' using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of installments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analyzed with regard to geographical location, borrower profile, LTV, and tenure. Counterparty risk - This includes Servicer Risk, co-mingling risk etc. The rating agencies generally mitigate such risks though the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure.

Bankruptcy risk - Of the Originator – o Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'. It is also in the Interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits. - Of the Investors' agent o All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal risks - The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction. o Various market risks like interest rate risk, macro-economic risks o Assessment of risks related to business for example outlook for the economy, outlook for the industry and factors specific to the issuer/originator.

3. Risk mitigation strategies for investments with each kind of originator

The examples of securitized assets which may be considered for investment by the Scheme and the various risk mitigation parameters (please read in continuation with point 2 above) which will be considered include;

A) Asset backed securities issued by banks or non-banking finance companies. Underlying assets may include receivables from loans against cars, commercial vehicles, construction equipment or unsecured loans such as personal loans, consumer durable

loans. The various factors which will be usually considered while making investments in such type of securities include profile of the issuer, analysis of underlying loan portfolio – nature of asset class, seasoning of loans, geographical distribution of loans and coverage provided by credit-cum-liquidity enhancements.

B) Mortgage backed securities issued by banks or housing finance companies, where underlying assets are comprised of mortgages/home loan. The various factors which will be usually considered while making investments in such type of securities include issuer profile of the issuer, quality of underlying portfolio, seasoning of loans, coverage provided by credit-cum-liquidity enhancements and prepayment risks. C) Single loan securitization, where the underlying asset comprises of loans issued by a bank/non-banking finance company.

The factors which will be usually considered while making investments in such type of securities include assessment of credit risk associated with the underlying borrower as well as the originator. The Fixed Income team will adhere to QUANT's internal credit process and perform a detailed review of the underlying borrower prior to making investments. This analysis is no different from the analysis undertaken by Fund when it invests in Debentures or Commercial papers issued by the same borrower. Critical Evaluation Criteria Typically the Fund would avoid investing in securitization transaction (without specific risk mitigation strategies / additional cash/security collaterals/ guarantees) if there are concerns on the following issues regarding the originator / underlying issuer: 1. High default track record/ frequent alteration of redemption conditions/covenants 2. High leverage ratios – both on a standalone basis as well on a consolidated level/ group level 3. Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be 4. Higher proportion of overdue assets of the pool or the underlying loan, as the case may be 5. Poor reputation in market 6. Insufficient track record of servicing of the pool or the loan, as the case may be.

Further, investments in securitized debt will be done in accordance with the investment restrictions specified under the SEBI Regulations/ this Scheme Information Document which would help in mitigating certain risks. Currently, as per the Regulations, the Scheme cannot invest more than 10% of its net assets in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 12% of the net assets of the Scheme with the prior approval of the Board of Trustees and the Board of the AMC.

4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

The framework which will generally be applied by the Fund Manager while evaluating the investment decision with respect to securitized debt will be as follows:

Characteristics/Type of Pool	**Mortgage Loan**	**Commercia1 Vehicle and Construction Equipment**	**CAR**	**2 wheelers**	**Micro Finance Pools**	**Persona 1 Loans**	**Single Sell down $**	**Others**
Approximate Average maturity (in Months)	Upto 10 years	Upto 5years	Upto 5 years	Upto 48 months	Upto 80 weeks	Upto 3 years	Case by case basis	As and when new

Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	In excess of 3%	In excess of 4%	In excess of 4%	In excess of 4%	In excess of 5%	In excess of 5%	Case by case basis	asset classes of securitized debt are introduced, the investments such instruments Will be evaluated on a case by case basis
Average Loan to Value Ratio	95% or lower	100% or lower **	95% or lower	95% or lower	Unsecured	Unsecured	Case by case basis	
Average seasoning of the Pool	Minimum 2 months	Minimum 2 months	Minimum 2 months	Minimum 2 months	Minimum 2 weeks	Minimum 2 months	Case by case basis	
Maximum single exposure range *	< 5%	< 5%	NA (retail pool)	NA (retail pool)	NA (Very Small retail pool)	NA (retail pool)	NA	
Average single exposure range% *	< 5%	5%	< 2%	< 1%	< 1%	< 1%	NA	

* denotes % of a single ticket/loan size to the overall assets in the securitized pool.

** LTV Based on chassis value

$ Broad evaluation criteria as per point 3 above

Notes:

a. Retail pools are the loan pools relating to Car, 2 wheeler, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.

b. The information illustrated in the table above is based on current scenario relating to securitized debt market and is subject to change depending upon the change in the related factors.

In addition to the framework stated in the table above, in order to mitigate the risks associated with the underlying assets where the diversification is less, at the time of investment the Fixed Income team could consider various factors including but not limited to –

- Size of the loan - the size of each loan is generally analysed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
- Average original maturity of the pool of underlying assets
- The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.
- Loan to value ratio, average seasoning of the pool of underlying assets - these parameters would be evaluated based on the asset class as mentioned in the table above.
- Default rate distribution - the Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
- Geographical distribution - the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.

- Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
- Liquidity facility - these parameters will be evaluated based on the asset class as mentioned in the table above.
- Structure of the pool of underlying assets - The structure of the pool of underlying assets would be either single asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

5. The minimum retention period of the debt by the originator prior to securitization

The minimum retention period of the debt by the originator prior to securitization and the minimum retention percentage by originator of debts will be as per the guidelines/regulations issued by the RBI/other regulatory agencies from time to time. Also, please refer the table in point 4. The Fund will adopt that policy, whichever is stricter.

6. Minimum retention percentage by originator of debts to be securitized

Same as point 5 above.

7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund

An investment by the scheme in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a scheme. All investments are made on an arm's length basis without consideration of any investments (existing/potential) in the schemes made by any party related/involved in the transaction. The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme.

8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows: -
- Fixed Income Team – Currently, the AMC has a well experienced team, which is responsible for credit research, monitoring and fund management, for all exposures including securitized debt.
- Ratings are monitored for any movement – Based on the cash flow report and Fixed Income Team's view, periodic review of company credit appraisal shall be conducted & monitored accordingly.

As per the prevailing SEBI guidelines, the investments in securitised debt instruments will be shown as a separate category under debt instruments in the half yearly disclosure of scheme portfolio.

• Usage of Short Term Deposits: Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide Para 12.16 of SEBI Master Circular on Mutual Funds dated June 27, 2024, as may be amended from time to time.

B. What are the investment restrictions?

In pursuance of the Regulations, the following restrictions are currently applicable to the scheme:

1. Investment in securities from the scheme's corpus would be only in transferable securities in accordance with Regulation 43 of Chapter VI of SEBI (Mutual Funds) Regulations, 1996.
2. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities; provided that the Scheme may engage in short selling of securities in

accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI; provided further that the Scheme may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI; provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

3. The Mutual Fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long term nature.

4. No investment shall be made in any Fund of Funds scheme.

5. The mutual fund shall not advance any loans for any purpose.

6. The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of quant Money Managers Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund.

7. quant Mutual Fund, under all its schemes shall not own more than 10% of any company's voting rights.

8. All investments by the scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.

9. The scheme shall not invest more than 10% of its net assets in the equity or equity related instruments of any company.

10. The scheme shall not make any investment in debt & money market instrument more than:

a. 10% of its NAV in debt and money market securities rated AAA; or

b. 8% of its NAV in debt and money market securities rated AA; or

c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of MF Regulation.

11. Investment in unlisted debt instruments:

11.1. The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used for hedging. However, the scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

11.2. The implementation of the provisions mentioned above would be subject to the following:

a. The existing investments of the scheme as on October 1, 2019 in unlisted debt instruments, including NCDs (identified NCDs), may be grandfathered till maturity date of such instruments. The grandfathering of the identified NCDs is applicable across the mutual fund industry. Accordingly, mutual funds can transact in such identified NCDs and the criteria as specified in point 11.1 is not applicable.
b. With effect from October 1, 2019, all fresh investments in unlisted NCDs shall be made only in NCDs satisfying the conditions mentioned in 11.1 above.
c. Extension of maturity or rolling over of existing investments in unlisted NCDs shall be subject to the prescribed limits mentioned in point 11.2(a) and the requirements mentioned at 11.1 above.
d. For mutual fund schemes whose existing investments in unlisted NCDs are more than the threshold limit as on the timeline mentioned at 11.2(a), all fresh investments in NCDs by mutual fund schemes, shall only be in listed NCDs till they comply with the requirements mentioned in 8.1 above
e. For the purpose of the provisions of point 11, listed debt instruments shall include listed and to be listed debt instruments.
f. All fresh investments by the scheme in CPs would be made only in CPs which are listed or to be listed .

12. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by the scheme shall be subject to the following:

a. Investments should only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder. b. Exposure of the scheme in such instruments, shall not exceed 5% of the net assets of the scheme.

c. All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees.

d. The investments of the schemes in such instruments as on October 1, 2019 in excess of the aforesaid limit of 5% may be grandfathered till maturity date of such instruments.

e.The Scheme may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.
f. In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if Scheme is transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

13. a. Sector Exposure – The exposure in a particular sector (excluding investments in Bank CDs, TREPs, GSecs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) under the portfolio will not exceed 20% of the net assets on account of purchase. An additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme on account of purchase shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Further, an additional exposure of 5% of the net assets of the scheme shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. Provided that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the scheme on account of purchase. The above restriction will not be applicable to the equity portion of the Scheme's portfolio (where applicable). b. Group Exposure - The total exposure of Scheme in a Group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) will not exceed 20% of the net assets of the Scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustees. Investments by the Scheme in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the Scheme with the prior approval of the Board of Trustees. For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates. The above restrictions will not be applicable to the equity portion of the Scheme's portfolio.

14. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of Seventh Schedule to SEBI Regulations.

15. Transfers of investments from one quant Mutual Fund scheme to another will be done in conformity with as per Para 12.30 of SEBI Master Circular on Mutual Funds dated June 27, 2024 and Interscheme Transfer policy of quant Mutual Fund.

16. No investment shall be made in - any unlisted security of an associate or group company of the sponsor; or - any security issued by way of private placement by an associate or group company of the sponsor; or - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

17. Pending deployment of funds in securities in terms of investment objectives of the Scheme, the Mutual Fund can invest the funds of the scheme in short term deposits of scheduled commercial banks in line with Para 4.5 of SEBI Master Circular on Mutual Funds dated June 27, 2024 as amended from time to time. The Scheme shall abide by the following guidelines for parking of funds in short term deposits:

♣ Such short term deposits shall be held in the name of the scheme.

♣ The scheme shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.

♣ Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.

♣ The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

♣ The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The bank in which the scheme has short-term deposit shall not be permitted to invest in the said scheme until the scheme has short-term deposit with such bank.

♣ AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of

scheduled commercial banks.
• The aforesaid limits are not applicable to term deposits placed as margins for trading in cash and derivatives market.

18. Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:
• Investment of the scheme in the following instruments shall not exceed 10% of the debt portfolio of the scheme and the Group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme: a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade.; and b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade. For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

• These investment limits mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008**.**
• Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares. AMC may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMC shall initiate necessary steps to ensure protection of the interest of the investors.
• The existing investments by the scheme as on October 1, 2019 in debt instruments that are not in terms of the provisions of point herewith may be grandfathered till maturity date of such debt instruments.

19. Repo transactions in corporate debt securities
• The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.
• The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.

20. The scheme may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption (For eg. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework) subject to the following: a) quant Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer. The above investment limit for a mutual fund scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996, and other prudential limits with respect to the debt instruments. The investments of mutual fund schemes in such instruments in excess of the limits specified above as on March 10, 2021 may be grandfathered and such mutual fund schemes shall not make any fresh investment in such instruments until the investment comes below the specified limits.

21. The scheme may consider investment in other financial market investments as per guidelines issued by the Central Government/SEBI/RBI from time to time. The AMC/Trustee may alter these investment restrictions from time to time to the extent SEBI regulations/applicable rules change/permit so as to achieve the investment objective of the scheme. Such alterations will be made in conformity with SEBI regulations. Further, apart from the investment restrictions prescribed under SEBI regulations, the scheme may follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector, etc. The investment restrictions specified as a percentage of net assets will be computed at the time of making the investment and it is clarified that changes need not be effected, merely by reason of appreciation or depreciation in value or by reason of factors beyond the control of the scheme (such as receipt of any corporate or capital benefits or amalgamations). In case the limits are exceeded due to reasons beyond its control, the AMC shall adopt necessary measures of prudence to reset the situation having regard to the interest of the investors.

1. Transfer of instruments from one scheme to another scheme in the same mutual fund is permitted provided:

a. Such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
b. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

However, in terms of Clause 12.30 of SEBI Master Circular dated June 27, 2024, ISTs are allowed only in case of raising liquidity and for duration/Issuer/Sector/Group rebalancing with the following conditions:

In case of Raising Liquidity, ISTs permitted if:

a) Use of scheme cash & cash equivalent
b) Use of market borrowings
c) Selling of scheme securities in the market
d) After attempting all the above, if there is still a scheme level liquidity deficit, then out of the remaining securities, outward Inter Scheme Transfers (ISTs) of the optimal mix of low duration paper with highest quality shall be effected. The use of market borrowing before ISTs will be optional and Fund Manager may at his discretion take decision on borrowing in the best interest of unitholders.

In case of Duration/Issuer/Sector/Group rebalancing, ISTs permitted if:

a) ISTs shall be allowed only to rebalance the breach of regulatory limit.
b) ISTs can be done where any one of duration, issuer, sector and group balancing is required in both the transferor and transferee schemes.

No ISTs of a security shall be allowed, if there is negative news or rumors in the mainstream media or an alert is generated about the security, based on internal credit risk assessment in terms of clause 12.30 of SEBI Master Circular dated June 27, 2024 during the previous four months**.**

1. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:

Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

2. The Scheme shall not make any investment in any fund of funds scheme.
3. The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its Clause 7.5 of SEBI Master Circular dated June 27, 2024:

i. Position limit for the Mutual Fund in equity index options contracts

a. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crores or 15% of the total open interest of the market in index options, whichever is higher, per stock exchange.
b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in equity index futures contracts:

a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs.500 crores or 15% of the total open interest of the market in index futures, whichever is higher, per stock exchange.
b. This limit would be applicable on open positions in all futures contracts on a particularunderlying index.

iii. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, the Mutual Fund may take exposure in equity index derivatives subject to the following limits:

a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, Treasury Bills and similar instruments.

iv. Position limit for Mutual Fund for stock based derivative contracts

The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

v. Position limit for each scheme of a Mutual Fund

The scheme-wise position limit / disclosure requirements shall be:

i. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Mutual Fund shall not exceed the higher of 1% of the free float market capitalization (in terms of number of shares)

or

5% of the open interest in the derivative contract on a particular underlying stock (in terms of number of contracts).

ii. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
iii. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

4. Pending deployment of the funds of the Scheme in securities in terms of the investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI:

The Scheme will comply with the following guidelines/restrictions for parking of funds in short termdeposits:

i. “Short Term” for such parking of funds by the Scheme shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Scheme.
ii. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
iii. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
iv. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
v. The Scheme shall not park funds in short term deposit (STD) of a bank which has invested in that Scheme. Further Trustees/ AMCs shall also ensure that the bank in which the Scheme has STD do not invest in the said scheme until the Scheme has STD with such bank.
vi. The AMC will not charge any investment management and advisory fees for funds parked in short term deposits of scheduled commercial banks.

However, the above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.

5. The Scheme shall not advance any loans.
6. The Scheme shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase / redemption of Units or payment of interest and/or dividend to the Unit holders.

Provided that the Fund shall not borrow more than 20% of the net assets of the individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.

The Scheme will comply with the other Regulations applicable to the investments of Mutual Funds from time to time.

7. SEBI vide its Clause 12.25 of Master Circular dated June 27, 2024 has prescribed the following investment restrictions w.r.t. investment in derivatives:

<table>
<tr><th>Sr. No.</th><th>Particulars</th></tr>
<tr><td>1</td><td>The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.</td></tr>
<tr><td>2</td><td>The Scheme shall not write options or purchase instruments with embedded written options except call options under a covered call strategy as specified in Clause 12.25 of Master Circular dated June 27, 2024 as amended from time to time.</td></tr>
<tr><td>3</td><td>The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.</td></tr>
<tr><td>4</td><td>Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.</td></tr>
<tr><td>5</td><td>Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.</td></tr>
<tr><td>6</td><td>Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:
<table>
<tr><th>Position</th><th>Exposure</th></tr>
<tr><td>Long Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr>
<tr><td>Short Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr>
<tr><td>Option bought</td><td>Option Premium Paid * Lot Size * Number of Contracts.</td></tr>
</table>
</td></tr>
</table>

7	a) The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions shall not exceed 10% of the net assets of the scheme.

8. The Scheme may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSESENSEX subject to the following:

(i) The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.

(ii) The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism(SLBM), margin or any other kind of encumbrances.

(iii) At all points of time the Mutual Fund scheme shall comply with the provisions at paragraph (i) and (ii) above. In case of any passive breach of the requirement at paragraph (i), the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.

(iv) In case the Scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (i) and (ii) above while selling the securities.

(v) In no case, the scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.

(vi) The premium received shall be within the requirements prescribed in terms of Clause 12.25 of Master Circular dated June 27, 2024 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.

(vii) The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of Clause 12.25 of Master Circular dated June 27, 2024.

a. The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by SEBI and/ or RBI from time to time and the guidelines framed by the Board of Directors of Trustee Company and the Asset Management Company, from time to time.

At present the following conditions and norms shall apply to repo in corporate debt securities:

(i) The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.

(ii) The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt, units issued by REITs & InvITs and derivatives shall not exceed 100% of the net assets of the Scheme.

(iii) The Scheme shall participate in repo transactions only in AA and above rated corporate debt securities.

(iv) The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

(v) The Trustee and the Asset Management Company have framed guidelines interalia considering the following aspects:

i. Category of counterparty
ii. Credit rating of counterparty
iii. Tenor of collateral
iv. Applicable haircuts

(vi) Counterparty selection & credit rating

The counterparty must be an acceptable counterparty for debt transactions. The Mutual Fund follows a counterparty empanelment process for fixed income transactions and the same shall be used for selection of counterparties for corporate bond repos. All repo transactions in corporate bonds will be governed by a repo agreement as specified by FIMMDA and / or other specified authorities.

(vii) Collateral tenor & quality

The exposure limit/investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate bonds. The Scheme shall further follow guidelines framed by Trustee and the AMC from time to time.

(viii) Applicable haircuts

Currently mutual funds are permitted to carry out repo transactions in government securities without any haircuts. The Reserve Bank of India has notified a minimum haircut based on rating of the corporate bond and other securities. In addition, the Fixed Income and Money Market Dealers Association (FIMMDA) would maintain a rating-haircut matrix on an ongoing basis. The Scheme shall further follow guidelines framed by Trustee and the AMC from time to time.

The haircuts seek to protect the lender of funds from the event of the counterparty failing to honor the repurchase leg of the repo. In such a circumstance, the Fund would suffer a loss if the value of the collateral depreciates by more than the haircut. The fall in the value of the collateral could be on account of higher yields and/ or deterioration of credit quality.

As the typical tenor of repos is short (typically overnight), the haircuts represent a relatively high degree of safety in relation to the interest rate risk on the collateral. The risk of collateral depreciation based on historical volatility is given in the table below:

Bond Tenor (yrs)	**1**	**3**	**5**	**10**
Price Volatility (%) (annualized)	0.6	1.2	1.7	3.4
Repo Tenor	Number of standard deviations needed to lose 10%			
1 day	258	136	94	48
7 days	98	52	36	18

In the above table, the price volatility of a 10-year bond is about 3.4% annualized. That is a 10% price move represents nearly a 3-sigma event on an annualized basis. For overnight tenors, this represents a 48-sigma event (for comparison a 6-sigma event occurs about once in a million observations).

It is apparent that the haircuts stipulated by RBI are more than sufficient to mitigate interest rate risk. Credit event risk remains (the collateral could default during the tenor of the repo). This risk is to be mitigated by ensuring that the collateral is acceptable from a credit point of view.

9. The mutual fund under all its schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT.
10. The Scheme shall not invest –
    i. more than 10% of its NAV in the units of REIT and InvIT; and
    ii. more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.

The Mutual Fund/AMC shall make investment out of the NFO proceeds only on or after the closure of the NFO period. The Mutual Fund/ AMC can however deploy the NFO proceeds in TREPS before the closure of NFO period. However, AMCs shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period. The appreciation received from investment in TREPS shall be passed on to investors.

Further, in case the minimum subscription amount is not garnered by the scheme during the NFO period, the interestearned upon investment of NFO proceeds in TREPS shall be returned to investors, in proportion of their investments, along-with the refund of the subscription amount.

The exposure limit/ investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate bonds.

The Scheme will comply with the other Regulations applicable to the investments of Mutual Funds from time to time.

All the investment restrictions will be applicable at the time of making investments.

The AMC/Trustee may alter these above stated restrictions from time to time to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective.

C. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated June 27, 2024:

(i) Type of a Scheme
An open ended scheme investing in equity, arbitrage and debt.

(ii) Investment Objective:

Main Objective - Growth

The investment objective of the scheme is to generate income by investing in debt and money market securities as well as generating capital appreciation by investing in equity and equity related securities. There is no assurance that the investment objective of the scheme will be achieved.

Investment Pattern: Please refer to '**How will the Scheme Allocate its Assets?**' under the Part II 'INFORMATION ABOUT THE SCHEME'.

(iii) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption. (please refer to relevant provisions on listing, repurchase, redemption in section II 'Other Scheme Specific Disclosures')
- Aggregate fees and expenses charged to the scheme (please refer to ANNUAL SCHEME RECURRING EXPENSES under Part III – Other Details).
- Any safety net or guarantee provided -
  This Scheme does not provide any guaranteed or assured return.

In accordance with Regulation 18(15A) of SEBI (MF) Regulations, 1996 and in terms of Clause 1.14.1.4 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the Trustees shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

D. Other Scheme Specific Disclosures:

Listing and transfer of units	The Scheme is an open ended scheme under which sale and repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the Trustee reserves the right to list the units as and when considered necessary in the interest of Unit holders of the Fund.
Dematerialization of units	The Unit holders would have an option to hold the Units in demat form or account statement (non-demat) form. Units held in Demat Form are freely transferable. The Applicant intending to hold Units in demat form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/ CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units.
Minimum Target amount	Rs. 10 crores
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	Under the IDCW option, the Trustee will have the discretion to declare the IDCW, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of IDCW and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with SEBI (MF) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holders as to the rate of IDCW nor that it will be paid regularly. The AMC/Trustee reserves the right to change the frequency of declaration of IDCW or may provide for additional frequency for declaration of IDCW. **IDCW Distribution Procedure** In accordance with Clause 11 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the procedure for distribution would be as under: 1. Quantum of IDCW and the record date will be fixed by the Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of the decision by the Trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be 2 working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders for receiving IDCW. 4. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable).

	5. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by Mutual Fund. However, the requirement of giving notice shall not be applicable for IDCW options having frequency up to one month.
Allotment (Detailed procedure)	All Applicants whose monies towards purchase of Units have been realised by the Fund will receive a full and firm allotment of Units, provided also the applications are complete in all respects and are found to be in order. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc. For applicants applying through 'APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA)', on allotment, the amount will be unblocked in their respective bank accounts and account will be debited only to the extent required to pay for allotment of Units applied in the application form. Units will be allotted upto 3 decimals. Face Value per unit of all Plans/ Options under the Scheme is Rs. 10-/. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc. Applicants under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form. Accordingly, the AMC shall allot units either in physical form (i.e. account statement) or in dematerialized form within 5 working days from the date of closure of the NFO period. **Dematerialization**: The Applicants intending to hold the Units in dematerialized mode will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units. The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. Units held in demat form are freely transferable. If the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. However, the Trustee / AMC reserves the right to change the dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and Regulations thereunder. All Units will rank pari passu, among Units within the same Option in the

	Scheme concerned as to assets, earnings and the receipt of Distributions, if any, as may be declared by the Trustee. **Allotment Confirmation** An allotment confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 working days of the closure of the NFO Period to the Unit holder's registered e-mail address and/or mobile number. Note: Allotment of units will be done after deduction of applicable stamp duty, if any. Note: For the purpose of allotment of units / refund of monies under NFO the term "working days" shall include Business Days but shall not include Holidays.
Refund	In case the Scheme fails to collect the minimum subscription amount of Rs. 10 Crore, the Mutual Fund and the AMC shall be liable to refund the subscription amount to the Applicants of the Scheme. Refunds of subscription money, if any, shall be completed within 5 working daysfrom the closure of the New Fund Offer Period. No Interest will be payable by the AMC on any subscription money refunded within 5 working daysfrom the closure of the New Fund Offer Period. Interest on subscription amount will be payable for amounts refunded by the AMC later than 5 working daysfrom the closure of the New Fund Offer Period at the rate of 15% per annum for the period in excess of 5 working daysand will be charged to the AMC. Refund payments may be made through electronic modes such as RTGS, NEFT, IMPS, direct credit, etc. as permitted by RBI from time to time or in any other manner specified by SEBI from time to time. Payment will be made favouring the Sole / First Applicant. Note: For the purpose of allotment of units / refund of monies under NFO the term "working days" shall include Business Days but shall not include Holidays.
Who can invest? This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	The following persons (i.e. an indicative list of persons) are eligible and may apply for subscription to the Units of the Scheme provided they are not prohibited by any law/ Constitutive documents governing them: 1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Karta of Hindu Undivided Family (HUF); 3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holdingin a minor’s folio. Payment for investment shall be accepted from the

	bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian. 4. Partnership Firms & Limited Liability Partnerships (LLPs); 5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860, CoOperative Societies registered under the Co-Operative Societies Act, 1912, One Person Company; 6. Banks & Financial Institutions; 7. Mutual Funds/ Alternative Investment Funds registered with SEBI; 8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds; 9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/ Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis; 10. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws; 11. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions; 12. Council of Scientific and Industrial Research, India; 13. Multilateral Financial Institutions/ Bilateral Development Corporation Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India; 14. Other Schemes of quant Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations; 15. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Scheme; 16. Such other category of investors as may be decided by the AMC / Trustee from time to time provided their investment is in conformity with the applicable laws and SEBI (MF) Regulations. Note: 1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad / Overseas Citizens of India (OCI) / Foreign Portfolio Investors (FPIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations. 2. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories / officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. The

	Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact. 3. Investors desiring to invest / transact in mutual fund schemes are required to mandatorily furnish PAN (PAN of the guardian in case minor does not have a PAN) and comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address including in case of non-individuals copy of the Memorandum and Articles of Association / bye-laws/trust deed/ partnership deed/ Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund / AMC / Trustees / other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/ authorised by the Constitution document/their Board of Directors etc. to make the investment / transact. Further, the Investor shall be liable to indemnify the Fund / AMC / Trustee / other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and / or the applicant who has applied on behalf of the Investors. The Fund / AMC / Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. Where the Units are held by a Unit holder in breach of any Regulations, AMC / the Fund may effect compulsory redemption of such units. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. 4. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme. 5. No request for withdrawal of application will be allowed after the closure of New Fund Offer Period. 6. Subject to the SEBI (MF) Regulations, the Trustee may inter-alia reject any application for the purchase of Units if the application is invalid or incomplete or non-permissible under law or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unitholders to accept such an application.
Who cannot invest	The aforementioned persons/entities as specified under section **"Who Can Invest?"** shall not be eligible to invest in the Scheme, if such persons/entities are: 1. United States Person (U.S. person*) as defined under the extant laws of the United States of America, except the following: a. NRIs/PIOs may invest/transact, in the Scheme, when present in India, as lump sum subscription, redemption and/or switch transaction and registrations of systematic transactions only through physical form and upon submission of such additional

	documents/undertakings, etc., as may be stipulated by AMC/ Trustee from time to time and subject to compliance with all applicable laws and regulations prior to investing in the Scheme. b. FPIs may invest in the Scheme as lump sum subscription and/or switch transaction (other than systematic transactions) through submission of physical form in India, subject to compliance with all applicable laws and regulations and the terms, conditions, and documentation requirements stipulated by the AMC/Trustee from time to time, prior to investing in the Scheme. The Trustee/AMC reserves the right to put the transaction requests received from such U.S. person on hold/reject the transaction request/redeem the units, if allotted, as the case may be, as and when identified by the AMC that the same is not in compliance with the applicable laws and/or the terms and conditions stipulated by Trustee/AMC from time to time. Such redemptions will be subject to applicable taxes and exit load, if any. The physical application form(s) for transactions (in nondemat mode) from such U.S. person will be accepted ONLY at the Investor Service Centres (ISCs) of quant Money Managers Limited (AMC). Additionally, such transactions in physical application form(s) will also be accepted through Distributors and other platforms subject to receipt of such additional documents/undertakings, etc., as may be stipulated by AMC/ Trustee from time to time from the Distributors/ Investors. 2. Residents of Canada; 3. Investor residing in any Financial Action Task Force (FATF)designated High Risk jurisdiction. *The term "U.S. person" means any person that is a U.S. person within the meaning of RegulationS under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time.
How to Apply and other details	The Applications Forms shall be made available at Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of Mutual Fund and/ or may be downloaded from the website of AMC. www.quantmutual.com. For further details, **refer to the SAI** and Application form for the instructions. 1. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund will be provided on the website of the AMC https://quantmutual.com/about-us/contact-us. 2. Please refer **back cover page of SID** for Name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website

	address of R&T, official points of acceptance, collecting banker details etc. As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected. Investors are required to note that it is mandatory to mention their bank account numbers in their applications/requests for redemption. At the time of redemption, investors can select the bank account to receive the amount.
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	The number of Units held by the Unit holder under his folio / Demat Account will stand reduced by the number of Units redeemed. Presently, the AMC does not intend to reissue the repurchased units. However, the Trustee reserves the right to reissue the repurchased units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	**SUSPENSION OF SALE OF UNITS OF THE SCHEME** The Mutual Fund at its sole discretion reserves the right to withdraw the Sale of Units i.e. subscriptions in the Scheme(s) (including any one Plan/ Option) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and / or suitable investment opportunities are not available for deployment of funds or if in the view of AMC/Trustee changing the size of the corpus may prove detrimental to the existing Unit holders of the Scheme(s) or for any other reason deemed fit by the AMC / Trustee. Further, the indicative list of circumstances under which sale of units may temporarily be suspended is as follows: 1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays. 2. In case of natural calamities, war, strikes, riots and bandhs. 3. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Official Point(s) of Acceptance. 4. If so directed by SEBI. **RIGHT TO RESTRICT REDEMPTION AND / OR SUSPEND REDEMPTION OF THE UNITS** (as per para 1.12 of SEBI Master Circular dated June 27, 2024 as may be amended from time to time):

	The Fund at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan /Option) of the Scheme of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable to the Redemption / switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs). The Trustee / AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme of the Fund may be imposed are as follows: 1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or 2. Market failures / exchange closures; or 3. Operational issues; or 4. If so directed by SEBI. It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines, if any mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable. Any restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the Mutual Fund shall be made applicable only after specific approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI. The AMC / Trustee reserves the right to change / modify the provisions of right to restrict Redemption and / or suspend Redemption of the Units in the Scheme of the Fund.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	The below cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day: **A] For Purchase (including switch-in) of any amount:** • In respect of valid applications received upto 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the Scheme before the cut-off time - the closing NAV of the day shall be

	applicable. • In respect of valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme either at any time on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable. • Irrespective of the time of receipt of application, where the funds for the entire amount are credited to the bank account of the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. **B] For Switch-ins of any amount: For determining the applicable NAV, the following shall be ensured:** • Application for switch-in is received before the applicable cutoff time. •Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the Scheme before the cut-off time. • The funds are available for utilization before the cut-off time. • In case of 'switch' transactions from one scheme to another, the allocation shall be in line with redemption payouts. **C]Redemptions including Switch - outs:** In respect of valid applications received up to 3.00 p.m. – same day's closing NAV shall be applicable. In respect of valid applications received after 3.00 p.m. - the closing NAV of the next Business Day shall be applicable. With respect to investors who transact through the stock exchange, a confirmation slip given by the stock exchange mechanism shall be considered for the purpose of determining Applicable NAV for the Scheme and cut off timing for the transactions. To clarify, for investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization by the Target Scheme irrespective of the installment date of the SIP, STP or record date of dividend etc.
Minimum amount for purchase/redemption/switches	**Minimum amount for Purchase/Switch in** Rs. 5,000 and in multiples of Re. 1/- thereafter **Minimum Additional Purchase/Switch in Amount** Rs.1,000 and in multiples of Re. 1/- thereafter **Non applicability Minimum Application Amount (Lump-sum) and Minimum Redemption amount** SEBI vide its Clause 6.10 of SEBI Master Circular dated June 27, 2024 (Alignment of interest of Designated Employees of Asset

	Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes), SEBI Mutual Fund Amendment dated 14th February 2025 and SEBI Circular dated 21 March 2025, has inter alia mandated that the AMC shall invest a certain percentage of the remunation of such employees as specified by SEBI in units of the Mutual Fund schemes based on the roles of the Designated Employees. In accordance with the regulatory requirement, the minimum application amount and minimum redemption amount wherever specified will not be applicable for investment made in schemes of the Fund in compliance with the aforesaid circular(s). **Minimum Redemption Amount/Switch Out** There will be no minimum redemption criterion. The Redemption / Switch- out would be permitted to the extent of credit balance in the Unit holder's account of the Plan(s) / Option(s) of the Scheme (subject to release of pledge / lien or other encumbrances). The Redemption / Switch-out request can be made by specifying the rupee amount or by specifying the number of Units of the respective Plan(s) / Option(s) to be redeemed. In case a Redemption / Switch-out request received is for both, a specified rupee amount and a specified number of Units of the respective Plan(s)/ Option(s), the specified number of Units will be considered the definitive request. In case of Units held in dematerialized mode, the Unit Holder can give a request for Redemption only in number of Units which can be fractional units also. Depository participants of registered Depositories can process only redemption request of units held in demat mode. In terms of Regulation 52 (4A) of the MF Regulations, in case of switch transaction to NFO of Regular plan of mutual fund scheme from an existing scheme managed by quant Money Managers Limited, the AMC will ensure that the distribution commission paid is lower of the commissions offered under the two schemes of switch transaction. The AMC/ Trustee reserves the right to change/ modify the terms of minimum redemption amount/switch-out, but not more than the minimum subscription amount. There is no minimum balance requirement**.**
Accounts Statements	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 business days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). A consolidated Account Statement and Monthly CAS shall be issued

	to investors that have opted for delivery via electronic mode (e-CAS) by the twelfth (12th) day from the month end, detailing all the transactions across all schemes of quant Mutual Fund and to investors that have opted for delivery via physical mode by the fifteenth (15th) day from the month end. The CAS will be dispatched by email to all the investors whose email addresses are registered with the Depositories and AMCs/MF-RTAs. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs. The depositories shall also intimate the investor on quarterly basis through the SMS mode specifying the email id on which the CAS is being sent. If there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, then CAS shall be sent to that investor through email on monthly basis. In case there is no transaction in any of the mutual fund and demat accounts then CAS with holding details shall be sent to the investors by email on half yearly basis. The depositories shall dispatch the CAS to investors that have opted for delivery via electronic mode, on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs. In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement. The transactions viz. purchase redemption, switch, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN). The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. In case of a specific request received from the Unit holders, the AMC will provide an account statement (reflecting transactions of the Fund) to the investors within 5 Business Days from the receipt of such request, by mail/email. The Unit holder without any charges may request for a physical account statement by writing to/calling the AMC/ISC/RTA. The Mutual Fund/ AMC shall dispatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder.

	Half Yearly CAS shall be issued to investors that have opted for e-CAS on or before the eighteenth (18th) day of April and October, to all investors providing the prescribed details across all schemes of mutual funds and to investors that have opted for delivery via physical mode by the twenty first (21st) day of April and October. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. The Account Statement shall state that the net investment as gross subscription less stamp duty and specify the no. of units allotted against the net investment. CAS for investors having Demat account**:** • Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository. • Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis. • If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within ten days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis. • In case an investor has multiple accounts across two depositories, the depository with whom the account has been opened earlier will be the default depository. • No Account Statements will be issued by the AMC to Unit holders who hold units in dematerialized mode. For Units in dematerialised mode, the Account Statements may be obtained by the Investor from the depository participants with whom the investor holds the DP account. The dispatch of CAS by the depositories would constitute compliance by the AMC/ the Mutual Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations and as per SEBI Circular Reference no. SEBI/HO/MRD/PoD1/CIR/P/2025/16 dated February 14, 2025. For further details, **refer SAI**
Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.

	For list of exceptional circumstances refer clause 14.1.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024.
Bank Mandate	As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected. Investors have an option of registering multiple bank accounts, by submitting the necessary forms & documents. At the time of redemption, investors can select the bank account to receive the amount.
Delay in payment of redemption / repurchase proceeds/dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024 for the period of such delay.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	The unclaimed Redemption and IDCW amounts shall be deployed by the Fund in money market instruments and such other instruments/securities as maybe permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders. https://app.mfcentral.com/links/inactive-folios
Disclosure w.r.t investment by minors	Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMC shall accept a Change of Pay-out Bank mandate before redemption is processed. Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with parent/legal guardian after completing all KYC formalities. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all

	the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. The claimant has to submit the Transmission Request Form (TRF) and NOC form along with the prescribed common set of documents. All such forms and formats are available on AMC website, RTA and AMFI. AMCs shall not accept requests for redemption from a claimant pending completion of the transmission of units in his / her favour. The Stamp duty is payable by the claimant with respect to the indemnity bond and affidavit, shall be in accordance with the stamp duty prescribed by law.

III. Other Details

A. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report

Monthly and Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The Mutual Fund shall disclose the Portfolio of the Scheme as on the last day of the month on its website: https://quantmutual.com/statutory-disclosures on or before the tenth day of the succeeding month in the prescribed format. The Mutual Fund shall provide a complete statement of the Scheme portfolio within ten days from the close of each half year (i.e. 31st March and 30th September), in the manner specified by SEBI. The Portfolio Statement will also be displayed on the website of the AMC and AMFI. Paragraph 5.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the AMC shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on its website: https://quantmutual.com/statutory-disclosures and publish a notice regarding availability of the same in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated
Half Yearly Results	The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the website of the AMC and AMFI. The mutual fund shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated. The unaudited financial results will also be displayed on the website of the AMC https://quantmutual.com/statutory-disclosures and AMFI website.
Annual Report	The Scheme wise annual report or an abridged summary thereof shall be provided to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) in the manner specified by SEBI. The mutual fund shall provide physical copy of the abridged summary of the Annual Report without any cost, if a request through any mode is received from the unitholder. The full annual report shall be available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any. Scheme wise annual report shall also be displayed on the website of the AMC https://quantmutual.com/statutory-disclosures and Association of Mutual Funds in India (www.amfiindia.com).

Product Labeling	Risk-o-meter forms part of the Product labeling and depicts Risk level of the scheme. The risk-o-meter of the scheme shall be in accordance with Clause 17.4 of SEBI Master Circular on Mutual Funds dated June 27, 2024 and SEBI Circular dated November 05, 2024 and the same shall be evaluated and updated on a monthly basis.
Disclosure of Risk-o-meter of schemes and benchmark	In terms of Clause 5.16 of SEBI Master Circular on Mutual Funds dated June 27, 2024 and SEBI Circular dated November 05, 2024, the risk-o-meter of the schemes and benchmark shall be disclosed while disclosing the performance of the schemes from time**.**
Disclosure of Scheme Summary Document	The Scheme Summary Document of each scheme shall be disclosed on AMC website and to be uploaded AMFI portal in three different formats, ie. Pdf, excel and xml.

AMFI Best Practice Guidelines Circular No.118 /2024-25) on Acceptance of financial transactions through email in respect of non-individual investor.	Non-individual Investors are requested to note the following: 1. Risks Involved in Transacting via Email The Non-individual investor acknowledges and accepts the inherent risks associated with conducting financial transactions via email. Theserisks include, but are not limited to, the possibility of unauthorized access to email communications, transmission delays, data loss, or alteration due to technical glitches or cyberattacks, which could impact the completeness or accuracy of the transaction. Additionally, emails may be susceptible to interception, unauthorized access, and other security vulnerabilities, which could lead to fraudulent transactions. Therefore, investors must be cautious while initiating financial transactions via email and should ensure the confidentiality and integrity of their communication. 2. Limitation of Liability of AMC / RTA The Asset Management Company (AMC) and the Registrar and Transfer Agent (RTA) shall not be held liable for any loss or damage caused by the non-receipt or delay in receiving any transaction sent by the investor via email. This includes situations where emails are not delivered, are delayed, or are intercepted due to issues beyond the control of the AMC or RTA, including but not limited to, technical failures, service provider errors, or unauthorized access to the email account. The AMC and RTA will not be responsible for any transactions that are erroneously processed or not processed due to such issues. The liability of the AMC and RTA is limited solely to the extent of ensuring that the transaction is processed once received in the proper format and within a reasonable timeframe, subject to system availability and security checks. 3. Security Measures to Ensure Safe Email Communication The AMC and RTA are committed to ensuring the highest level of security for email communications and shall implement appropriate safeguards. These measures include the use of encrypted email services, secure authentication protocols, and virus/malware scanning for all incoming and outgoing emails. Additionally, access to email accounts and transaction systems shall be restricted to authorized personnel only, and multi-factor authentication will be employed to verify the identity of the individuals initiating transactions. The AMC shall take all reasonable steps to prevent unauthorized access, disclosure, or alteration of the financial data transmitted via email. 4.Retention of Transaction RecordsThe AMC and RTA will retain records of all transactions routed via email in accordance with applicable laws and regulations. These records will include, but are not limited to, transaction requests, email correspondence, and confirmation receipts, for a minimum period as mandated by regulatory authorities. The Non-Individual investor agrees that these records shall be stored in a secure digital format to ensure their integrity and availability for future reference. In addition, the AMC shall maintain an audit trail for each transaction, allowing for the traceability of emails and the status of each request submitted via email. 5.Procedure for Addition/Deletion of Authorized Signatories The facility to transact via email shall follow an appropriate procedure for the addition or deletion of authorized signatories. Such changes

	must be communicated to the AMC through a formal notification, in the form of a signed letter or email from the authorized representative of the entity, accompanied by the requisite board resolution or authority letter. The AMC shall process these changes only upon receipt of valid documentation confirming the updated list of authorized signatories. These changes will only be effective once the AMC has acknowledged receipt and validation of the notification. 6. Authorization for Non-Individual Investors For non-individual investors, including registered mutual fund distributors or third parties authorized by the investor, to submit financial transactions via email on behalf of the entity, the AMC and RTA require prior written authorization from the investor. This authorization should clearly state the scope of authority granted to the third party and must be submitted with each transaction request. The AMC will accept such transactions only if the relevant authorization documents are in place and the email corresponds with the pre-registered contact information for the entity or authorized third party. 7. Security Procedures for Transaction Confirmation To confirm and authenticate email-based financial transactions, the AMC will employ a range of security procedures, including digital signatures, encrypted communication, and multi-step verification processes. These procedures are designed to verify that the transaction is genuinely authorized by the investor and ensure that the instructionshave not been tampered with. Upon receipt of an email transaction, the AMC will conduct thorough checks to confirm the authenticity of the request, including comparing it against the pre-registered information (email addresses, signatories, etc.). Only upon successful verification will the transaction be processed. 8.Electronic Time Stamping and Audit Trail for Email Transactions Each transaction processed via email shall be subject to an electronic time-stamping mechanism that records the exact time and date of receipt. This time stamp will serve as a reference point for any future inquiries or disputes regarding the transaction. Furthermore, AMC shall maintain an audit trail, tracking all actions related to the email transaction, including receipt, verification, and processing. The audit trail will provide transparency, ensure accountability, and facilitate the resolution of any issues related to email-based transactions. 9. Change in Registered Email Address / Contact Details Any change in the registered email address or contact details of the entity must be communicated to the AMC via a physical letter, including a scanned copy, signed by the designated authorized officials of the entity. This change request must also be supported by a copy of the relevant board resolutions or authority letter from the entity, issued on the official letterhead. The AMC will not accept email requests for such changes. Further, changes in the registered email address will not be processed unless the request complies with these requirements. This ensures that only authorized personnel can modify the contact details associated with the Non-individual investor's account.

	10. Changes in Bank Mandate No changes to the bank mandate (including adding or modifying bank account details) will be accepted via email. Such changes must be submitted using the prescribed service request form, duly signed by the entity's authorized signatories. The form must also be accompanied by the wet signatures of the designated officials of the entity. This ensures the authenticity and validity of any change in the bank details associated with the Non- individual Investor's account, and that no unauthorized modifications are made via email. 11. Digital Signatures and Validity of Electronically Executed Documents In case of any document executed electronically, the AMC recognizes the validity of Digital Signature Certificates (DSCs) or Aadhaar-based e-signatures provided by the authorized officials of the entity. These digitally signed documents will be treated as legally binding and valid, even if they are not sent from the registered email address of the authorized officials. However, the email domain from which the document is sent must match the official domain name of the entity. Such documents, when executed with a valid DSC or e-signature, will be processed by the AMC without requiring further verification through physical signatures.

B. Transparency/NAV Disclosure (Details with reference to information given in Section I)

Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently, the NAVs will be calculated and disclosed on all the Business Days. The AMC shall update the NAVs on the website Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day and shall also update the NAVs on the website of AMC (www.quantmutual.com) before 11.00 p.m. on every Business Day for a given business day. If the NAVs are not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV. Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.

C. Transaction charges and stamp duty

Transaction Charges	Not Applicable

Stamp Duty	Mutual fund units issued against Purchase transactions (whether through lump-sum investments or SIP or STP or switch-ins or reinvestment under IDCW Option) would be subject to levy of stamp duty @ 0.005% of the amount invested. Transfer of mutual fund units (such as transfers between demat accounts) are subject to payment of stamp duty @ 0.015%. The rate and levy of stamp duty may vary as amended from time to time. *Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, and subsequent Notification dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India. The stamp duty will be deducted from the net investment amount i.e. gross investment amount other deduction, if any. Units will be created only for the balance amount i.e. net investment amount as reduced by the stamp duty. The stamp duty will be computed at the rate of 0.005% on an inclusive method.

D. Associate Transactions-

Please refer **to Statement of Additional Information (SAI).**

E. Taxation-

For details on taxation please refer to the clause on Taxation in the SAI apart from the following:
The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.

Tax	Resident Investors	Non-Resident Investors	Mutual Fund
Tax on Income Distribution under IDCW Option	Slab rates plus applicable surcharge and cess	20% plus applicable surcharge and cess [2]	NIL
Capital Gains [1] Long Term *(period of holding: more than 12 months)* Short Term *(period of holding: up to 12 months)*	12.50% (without indexation benefit) plus applicable surcharge and cess on gains exceeding Rs.1,25,000 in a year 20% plus applicable surcharge and cess	12.50%[2] (without indexation & foreign exchange fluctuation benefit) plus applicable surcharge and cess on gains exceeding Rs.1,25,000 in a year 20% plus applicable surcharge and cess [2]	

1. Securities Transaction Tax (STT) @ 0.001% is applicable on redemption of units of equity-oriented mutual funds.
2.The Mutual Fund will pay/deduct taxes as per the applicable tax laws on the relevant date considering the provisions of the Income-tax Act, 1961 read with the Income-tax Rules, 1962 and any circulars or notifications or directives or instructions issued thereunder. Please note that grant of DTAA benefit, if any, is subject to fulfilment of stipulated conditions under the provisions of the Income-tax Act, 1961 and the relevant DTAA as well as interpretation of relevant Article of such DTAA.
In case of Resident Investors: TDS is applicable at the rate of 10% on income distributed in excess of Rs.10,000 by a mutual fund.
In case of Non-Resident Investors: TDS is applicable on any income in respect of units of a Mutual Fund at lower of 20% (plus applicable surcharge and cess) or rate of income-tax provided in the relevant DTAA (read with CBDT Circular no. 3/2022 dated 3rd February 2022), provided such investor furnishes valid Tax Residency Certificate (TRC) for concerned FY. Tax will be deducted on Short-term/Long-term capital gains at the tax rates (plus applicable Surcharge and Health and Education Cess) specified in the Finance Act 2025 at the time of redemption of units in case of Non-Resident investors (other than FIIs) only.
TDS at higher rates: In case PAN is not furnished or PAN is inoperative, then TDS as per Section 206AA of the Income-tax Act, 1961 would apply (higher of specified rate or rates in force or 20%) would apply, subject to Rule 37BC of the Income-tax Rules, 1962.

Investors are requested to note that the tax position prevailing at the time of investment may change in future due to statutory amendment(s). The Mutual Fund will pay/deduct taxes as per the applicable tax laws on the relevant date considering the provisions of the Income-tax Act, 1961. Additional tax liability, if any, imposed on investors due to such changes in the tax structure, shall be borne solely by the investors and not by the AMC or Trustee.

3. Under section 10(23D) of the Income tax Act, 1961, income earned by a Mutual Fund registered with SEBI is exempt from income tax. quant Mutual Fund is registered with Securities and Exchange Board of India (SEBI) and is as such eligible for benefits u/s. 10(23D) of the Income-tax Act, 1961.

F. Rights of Unitholders

Please refer to **SAI** for details.

G. List of official points of acceptance:

Details are uploaded on:https://quantmutual.com/QuantTransaction/QuantTransactionApr.html#custom-tabs-four-settings

H. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations for Which Action May Have Been Taken or Is In The Process Of Being Taken By Any Regulatory Authority

Please refer AMC website https://quantmutual.com/Pdf/Penalities.pdf for latest updates.

The Scheme under this Scheme Information Document was approved by the Trustee Company on March 18, 2024. The Trustee has ensured that the Scheme is a new product offered by quant Mutual Fund and is not a minor modification of its existing schemes.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

For and on behalf of
quant Money Managers Limited

Sd/-

Sandeep Tandon
Chief Executive Officer

Date: July 02, 2025
Place: Mumbai

Name, address and contact no. of Registrar and Transfer Agent (R&T):
KFin Technologies Limited
Unit: quant Mutual Fund
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032
Contact No.: 040-6716 2222
Email id of R&T: quantqueries@kfintech.com
Website address of R&T: **https://www.kfintech.com/**
Collecting Banker: HDFC Bank Limited, Fort, Mumbai.

OFFICIAL POINTS OF ACCEPTANCE FOR QMF FOR NFO AND ONGOING TRANSACTIONS

a. 6th floor, Sea Breeze Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025

b. 05/206, Vaibhav Chambers, Madhusudan Kalelkar Rd, Kala Nagar, Bandra East, Mumbai, Maharashtra 400051

DETAILS OF qMF INVESTOR SERVICE CENTER OFFICES - KFIN TECHNOLOGIES LIMITED

https://www.kfintech.com/contact-us/#location-container

In addition to the existing official points of acceptance ("OPA") for accepting transactions in the units of the schemes of the quant Mutual Fund as disclosed in the SID, online transactions may also be done on the transaction portal of MFU i.e. https://www.mfuindia.com/

quant Money Managers Limited
(Investment Manager to quant Mutual Fund)
6th Floor, Sea Breeze Building, AppaSaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India.
TEL 022-6295 5000 **EMAIL** help.investor@quant.in **WEB** www.quantmutual.com

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.