# FLEXI CAP FUNDS

## What is Flexi Cap Fund?

A Flexi Cap Fund is an open-ended dynamic equity scheme that invests across large-cap, mid-cap, and small-cap stocks.

It provides flexibility to the fund manager to dynamically allocate investments across market capitalisation based on market opportunities, with the objective of long-term capital appreciation.

## How does Flexi Cap Fund invest across market capitalisation?

Flexi Cap Fund follows:

- Dynamic allocation strategy: Invests across large-cap, mid-cap, and small-cap stocks
- Flexible approach: No fixed allocation limits; portfolio mix may change based on market trends
- Stock selection focus: invests in companies with growth potential, sustainable business models, and competitive advantages
- Actively managed: Allocation across segments is adjusted depending on valuations and market outlook

## Benefits of investing in Flexi Cap Funds:

- Diversification across all market capitalisations
- Flexibility to shift allocations based on valuation and market outlook
- Focus on business potential rather than company size
- Risk management through exposure across sectors and segments
- Opportunity to participate in growth across different phases of the market cycle

## Is it safe to invest in Flexi Cap Funds:

Like all equity oriented mutual fund schemes, Flexi Cap Funds are subject to market risks. However, their diversified approach across market capitalisation may help reduce concentration risk. Investors with a long-term investment horizon and the ability to tolerate volatility of equity market may find it a suitable investment option.

**Risk–Return Profile of Flexi Cap Funds:**

- **Risk Level:** Very High (market-linked equity risk)
- **Return Potential:** Linked to equity market performance over the long term
- Returns are **not guaranteed** and may fluctuate in the short term

**What is the difference between Flexi Cap and Multi Cap Fund?**

A **Multi Cap Fund** is required to invest a **minimum of 25% each** in large-cap, mid-cap and small-cap stocks, as mandated by SEBI.

A **Flexi Cap Fund** has **no such allocation restrictions**, allowing the fund manager to allocate across market capitalisation based on prevailing market conditions and investment opportunities.

**Taxation aspects**

Flexi Cap Mutual Funds are Equity-Oriented mutual funds. Equity-oriented mutual fund schemes are schemes that invest a minimum of 65% of their total corpus, on an average basis, in equity shares of domestic companies. Based on current taxation rules, the tax treatment of the funds is as follows:

| Type of Gain | Holding Period | Tax Rate | Key Provisions |
|---|---|---|---|
| Short-Term Capital Gains (STCG) | 12 months or less | 20% (plus applicable surcharge and 4% cess) | Tax is a flat rate regardless of income tax slab. |
| Long-Term Capital Gains (LTCG) | More than 12 months | 12.5% (plus applicable surcharge and 4% cess) | Gains up to ₹1.25 lakh per financial year are exempt from tax. The 12.5% rate applies only to gains above this threshold. No indexation benefit is available. |

Note: This information is provided for general information only and is based on the prevailing tax laws. However, in view of the individual nature of the implications, each investor needs to consult his or her own tax advisors/ consultants.

**Disclaimers:**

• An Investor Education and Awareness Initiative by Unifi Mutual Fund.

• To know more about KYC documentation requirements and procedure for change of address, phone number, bank details, etc., please visit: https://www.unifimf.com/kyc-corner/

• Please deal only with registered Mutual Funds, details of which can be verified on the SEBI website under 'Intermediaries / Market infrastructure institutions.

• All complaints regarding Unifi Mutual Fund may be directed to services@unifimf.com and enq_ufi@camsonline.com and/or https://scores.sebi.gov.in/ (SEBI SCORES portal) and/or https://smartodr.in/login

• Nomination is advisable for all folios opened by an individual, especially with sole holding, as it facilitates an easy transmission process.

**This communication is a part of the investor education and awareness initiative of Unifi Mutual Fund.**

**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**