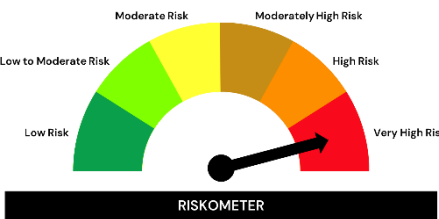
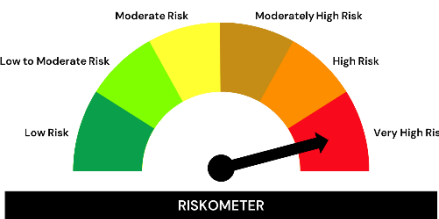


## UNIFI FLEXI CAP FUND

(An open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks)

**Scheme Code:** UNFI/O/E/FCF/25/03/0002

This product is suitable for investors who are seeking*	Risk-o meter of the Scheme	Risk-o-meter of Benchmark Tier I: Nifty 500 TRI
<ul style="list-style-type: none"> <li>Capital Appreciation over long term.</li> <li>Investment in a diversified portfolio consisting of equity and equity related instruments across market capitalization.</li> </ul>	 <p>Investors understand that their principal will be at very high risk.</p>	 <p>Benchmark Risk O Meter is at very high risk.</p>

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

The product labeling assigned during the 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.

**Offer for Units of Rs. 10/- per unit during the New Fund Offer and at NAV based prices upon re-opening**

New Fund Offer Opens on	:	19.05.2025
New Fund Offer Closes on	:	30.05.2025
Scheme re-opens on for continuous sale and repurchase on	:	12.06.2025

Name of Mutual Fund	Unifi Mutual Fund
Name of Asset Management Company	Unifi Asset Management Private Limited
Name of Trustee Company	Unifi Mutual Fund Trustee Private Limited
Addresses, Website	Registered office : 11, Kakani Towers, 15, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India

	<p>Corporate Office: 19, 3rd Floor, Kakani Towers, 15, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India</p> <p><b>Website :</b> <a href="http://www.unifimf.com">www.unifimf.com</a></p>
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This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, ,penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website [www.unifimf.com](http://www.unifimf.com).**

**The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.**

This Key Information Memorandum is dated 05.05.2025

<b>Investment Objective</b>	To generate long term capital appreciation by pursuing active management and bottom-up investing, primarily in equity and equity related instruments across sectors and market cap spectrum. The scheme will anchor to investing in growth businesses and is best suited for investors with long term investment horizon.																
	However, there is no assurance that the investment objective of the scheme will be achieved. The scheme does not guarantee or assure any returns.																
<b>Asset Allocation Pattern of the scheme</b>	<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities &amp; Equity related instruments</td><td>65%</td><td>100%</td></tr><tr><td>Debt Securities and Money Market Instruments#</td><td>0%</td><td>35%</td></tr><tr><td>Units issued by REITs &amp; InvIT's</td><td>0%</td><td>10%</td></tr></table>			Instruments	Indicative allocations (% of total assets)		Minimum	Maximum	Equities & Equity related instruments	65%	100%	Debt Securities and Money Market Instruments#	0%	35%	Units issued by REITs & InvIT's	0%	10%
Instruments	Indicative allocations (% of total assets)																
	Minimum	Maximum															
Equities & Equity related instruments	65%	100%															
Debt Securities and Money Market Instruments#	0%	35%															
Units issued by REITs & InvIT's	0%	10%															
	<p>#Debt instruments shall be deemed to include securitised debts and investment in securitised debts may be up to 40% of the debt securities of the scheme.</p> <p><b>Investment in Equity &amp; Equity Related Instruments</b></p> <ul style="list-style-type: none"><li>The scheme will invest across large cap, mid cap and small cap stocks. Large Cap, Mid Cap, Small Cap companies are those companies which are classified as such by Securities and Exchange Board of India (SEBI) or Association of Mutual Funds in India (AMFI) from time to time. Presently as per Para 2.7 (on Definition of Large Cap, Mid Cap and Small Cap) of the Master Circular, large cap companies will comprise of companies from 1st to 100th companies, Mid cap companies will comprise of companies from 101st to 250th and small cap companies will comprise of companies from 251st onwards in terms of full market capitalization. If there is any updation in the list of large, mid and small cap companies, the Scheme would rebalance its portfolio (if required) in line with the updated list, within a period of one month.</li><li>The Scheme shall have derivative exposure as per the SEBI regulations issued from time to time. Pursuant to para 7.5, 7.6 and 12.25 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, as may be amended from time to time, the scheme may also use various derivative and hedging products from time to time in a manner permitted by SEBI to reduce the risk of the portfolio as and when the fund manager is of the view that it is in the best interest of the unit holders. Investment in Equity Derivatives shall be up to 50% of equity assets of the scheme for non-hedging purposes.</li><li>The Scheme may purchase 'covered call' options as permitted under Para 12.25.8 of SEBI Master Circular dated June 27,2024 . The total notional value (taking into</li></ul>																

account strike price as well as premium value) of call options written by the scheme shall not exceed 15% of the total market value of equity shares held in the scheme.

#### **Investment in Debt and Money Market Instruments**

- The Scheme may invest in Government Bonds, Treasury Bills, Tri-Party Repos and other money market instruments as permitted by SEBI (MF) Regulations and amended from time to time. The scheme may invest in fixed income derivative instruments in compliance with relevant para of 12.25 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 . The Scheme may buy Credit Default Swaps (CDS) only for the purpose of hedging the credit risk on debt securities. Exposure through CDS shall not exceed 10% of AUM of scheme and will be governed by SEBI Circular No. SEBI/HO/IMD/PoD2/P/CIR/2024/125 dated September 20, 2024 and relevant SEBI Circulars / SEBI (Mutual Funds) Regulations 1996.
- In line with Para 4.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, Securities in which investment is made for the purpose of ensuring liquidity (debt and money market instruments) are those that fall within the definition of liquid assets which includes Cash, Government Securities, T-bills and Repo on Government Securities.
- Pursuant to para 12.25.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days:
  - a) Government Securities; b) T-Bills; and c) Repo on Government securities
- Pursuant to para 12.18 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the scheme may participate in the corporate bond repo transactions. The gross exposure of the scheme to repo/reverse repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned scheme.
- The investment of the Scheme in Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade & in supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade, 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 as mandated in para 12.3.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.  
  
For this purpose, a group means a group as defined under regulation 2 (mm) of the Regulations and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.
- The scheme may invest in Additional Tier 1 (AT1) and Tier 2 (AT2) bonds as mandated in para 12.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.

	<ul style="list-style-type: none"> <li>The Scheme may invest in unlisted/unrated debt instruments as mandated in para 12.1.1 and para 12.1.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.</li> </ul> <p><b>Investments in Overseas Securities</b></p> <ul style="list-style-type: none"> <li>The Scheme may invest in Foreign Securities including ADR / GDR/ ETFs/mutual funds upto 35% of its total assets subject to investment restriction specified by SEBI/RBI from time to time.</li> </ul> <p>The maximum amount that can be invested by the schemes of the Mutual Fund in Foreign Securities, calculated based on the cost of investments in Foreign Securities as per RBI Circular AP (DIR) Series Circular No. 3 dated July 26, 2006, read with Para 12.19 of the Master Circular, permits the Mutual Fund to invest in Foreign Securities i.e. US \$ 1 billion per Mutual Fund, within the overall industry limit of US\$ 7 billion. Further, investments in overseas Exchange Traded Fund (ETF(s)) is subject to a maximum of US \$ 300 million per Mutual Fund, within the overall industry limit of US \$ 1 billion. All the requirements as per Para 12.19 of the Master Circular would be adhered to by the AMC for investment in foreign securities.</p> <ul style="list-style-type: none"> <li>Limits for a period of six months from the date of closure of NFO: The Scheme intends to invest up to US \$ 100 million in foreign securities including overseas ETFs, subject to guidelines laid down by SEBI vide Para 12.19 of the Master Circular. Investment in Overseas Securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.</li> </ul> <p><b>Investment in REITs &amp; InvITs</b></p> <ul style="list-style-type: none"> <li>The Scheme may invest in the units of REITs and InvITs as per Para 12.21 (on Investments in units of REITs / InvITs) of the Master Circular, as amended from time to time, subject to the following: <ul style="list-style-type: none"> <li>a. No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and</li> <li>b. A mutual fund scheme shall not invest: <ul style="list-style-type: none"> <li>i. more than 10% of its NAV in the units of REIT and InvIT; and</li> <li>ii. more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.</li> </ul> </li> </ul> </li> </ul> <p><b>Investment in Mutual Fund Units</b></p> <ul style="list-style-type: none"> <li>The Scheme may invest upto 5% of its net assets in units of other schemes of Unifi Mutual Fund as and when launched or in units of schemes of any other Mutual Fund, provided the aggregate inter-Scheme investment made by all the schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the Net Asset Value of the Mutual Fund. No investment management fees shall be charged for investing in other Schemes of the Fund or in the Schemes of any other mutual fund.</li> </ul> <p><b>Other Points</b></p> <ul style="list-style-type: none"> <li>In addition to the instruments stated in the table above, the Scheme may enter into repos/reverse repos as may be permitted by RBI. From time to time, the Scheme</li> </ul>
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may hold cash. A part of the net assets may be invested in the Tri-party Repos on Government securities or treasury bills (TREPS) or repo.

- The cumulative gross exposure through equity, debt, money market instruments, units of mutual fund schemes, securitised debt, special features instruments, Credit enhancement and structured obligations, covered call, units issued by REITs and InvITs, derivatives(including fixed income derivatives) , Foreign securities/ Overseas ETFs, repo transactions in corporate debt securities 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.
- In accordance with SEBI Master Circular for Mutual Funds dated June 27, 2024As per para 12.11 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, as amended from time to time, the Scheme will lend securities subject to a maximum of 20% in aggregate, of the net assets of the Scheme and 5% of the net assets of the scheme in the case of a single intermediary.
- Pursuant to para 1.10.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the Scheme may deploy NFO proceeds in Triparty repo on Government securities or treasury bills (TREPS) before the closure of NFO period. However, the AMC shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period.
- 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 mentioned in para 12.16 of SEBI Master Circular for Mutual Funds dated June 27, 2024, as may be amended from time to time.
- The scheme shall not :-
  - Resort to Short selling

**Indicative Table** (Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sl. No.	Type of Instrument	Percentage of exposure	Circular references
1.	Securities lending	Aggregate - 20% of net assets of the Scheme Single intermediary - 5% of the net assets of the Scheme.	Para 12.11.2.1 of SEBI Master Circular dated June 27, 2024
2.	Equity derivatives for non-hedging purpose	50% of the equity assets of the scheme.	Para 12.25.7 of SEBI Master Circular dated June 27, 2024
3.	Overseas/Foreign Securities	35% of its total assets.	Para 12.19 of SEBI Master Circular dated June 27, 2024
4.	Securitised debt	Upto 40% of the debt assets.	Clause 1 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996
5.	ReITS and InVITS	Upto 10% of the net assets.	Para 12.21 of SEBI Master Circular dated June 27, 2024

	6.	AT1 and AT2 bonds	Upto 10% of the debt assets.	Para 12.2 of SEBI Master Circular dated June 27, 2024
	7.	Covered Call	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 the scheme.	Para 12.25.8 of SEBI Master Circular dated June 27, 2024
	8.	Credit Default Swap	Upto 10% of net assets of scheme. The total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the scheme.	Para 12.28.1 of SEBI SEBI/HO/IMD/PoD2/P/CIR/2024/125 September 20, 2024.
	9.	Investment in debt instruments having structured obligations / credit enhancements	10% of debt portfolio of the scheme	Para 12.3 of SEBI Master Circular dated June 27, 2024
	10.	Repo in Corporate Debt	Gross Exposure upto 10% of the net assets	Para 12.18 of SEBI Master Circular dated June 27, 2024
	11.	Units of mutual fund schemes of Unifi AMC or in the Scheme of other mutual funds	5% of the net asset value of the Mutual Fund	Clause 4 of Seventh Schedule of SEBI Mutual Fund Regulations
	12.	Unlisted Non-Convertible Debentures	Not exceeding 10% of the debt portfolio of the scheme.	Para 12.1.1 of SEBI Master Circular dated June 27, 2024
	13.	Unrated Debt and Money Market Instruments	Not exceed 5% of the net assets of the scheme.	Para 12.1.5 of SEBI Master Circular dated June 27, 2024
	14.	Short Selling	The Scheme shall not engage in Short Selling of Securities.	Para 12.11 of SEBI Master Circular dated June 27, 2024
	<b>Deployment of funds collected during NFO period</b>			
	The AMC shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units.			

	<p>In an exceptional case, if the AMC 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 the AMC. Basis root cause analysis, 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. Trustees shall also need to monitor the deployment of funds collected in NFO and take steps, as may be required, to ensure that the funds are deployed within a reasonable timeframe.</p> <p>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:</p> <ol style="list-style-type: none"> <li>not be permitted to receive fresh flows in the same scheme till the time the funds are deployed as per the asset allocation mentioned in the SID.</li> <li>not be permitted to levy exit load, if any, on the investors exiting such scheme(s) after 60 business days of not complying with the asset allocation of the scheme.</li> <li>inform all investors of the NFO, about the option of an exit from the concerned scheme without exit load, via email, SMS or other similar mode of communication.</li> <li>report deviation, if any, to Trustees at each of the above stages.</li> </ol> <p><b>Rebalancing due to Short Term Defensive Considerations:</b></p> <p>As per Para 1.14.1.2 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the asset allocation pattern indicated above may change for a short-term period on defensive considerations. The proportion of the scheme invested in each type of security will vary in accordance with microeconomic &amp; macroeconomic conditions, interest rates, and other relevant considerations. These proportions may vary depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the Unit holders. In case of any deviation, the portfolio shall be rebalanced within 30 calendar days.</p> <p><b>Rebalancing due to passive breaches:</b></p> <p>In the event of any deviations from the mandated asset allocation as mentioned above due to passive breaches, portfolio rebalancing will be carried out by the Fund Manager within 30 Business Days of the date of the said deviation. In case the rebalancing is not done within the specified period of 30 Business Days, the matter would be recorded in writing and shall be placed before the Investment Committee.</p> <p>The Investment Committee shall record the reason in writing leading to the reason for falling the exposure outside the asset allocation and if so desires, the Committee shall extend the timelines upto 60 (sixty) Business Days from the date of completion of mandated rebalancing period of 30 Business Days in line with Clause 2.9 of the SEBI Master Circular dated June 27, 2024.</p> <p>Further, in case, the portfolio of schemes is not rebalanced within the aforementioned both the timelines, the AMC shall:</p> <ol style="list-style-type: none"> <li>Not launch any new scheme till the time the portfolio is rebalanced.</li> <li>Not levy exit load, if any, on the investor exiting the scheme.</li> </ol> <p>In case the AUM of the deviated portfolio is more than 10% of the AUM of the main portfolio of the scheme.</p> <ol style="list-style-type: none"> <li>The AMC shall immediately communicate the same to the investors of the scheme after the expiry of the mandated rebalancing period (i.e. 30 Business</li> </ol>
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	<p>Days) through SMS and email/ letter including details of portfolio not rebalanced.</p> <p>ii. The AMC shall also immediately communicate to the investors through SMS and email/letter when the portfolio is rebalanced.</p> <p>iii. The AMC shall disclose scheme wise deviation of the portfolio (beyond aforesaid 10% limit) from the mandated asset allocation beyond 30 business days, on the AMC 's website i.e. <a href="http://www.unifimf.com">www.unifimf.com</a>.</p> <p>The AMC shall also disclose any deviation from the mandated asset allocation to investors along with periodic portfolio disclosures as specified by SEBI from the date of lapse of mandated plus extended rebalancing timelines.</p>
<b>Investment Strategy</b>	<p>The Scheme strategy aims to generate capital appreciation by investing in a diversified portfolio of equity &amp; equity related instruments across sectors and market capitalization.</p> <p>The Fund Manager will follow an active investment strategy primarily based on fundamental research which includes bottom-up stock selection after duly considering the top-down structural trends. The Scheme would typically invest in well-governed companies with any or combination of the following characteristics –</p> <ul style="list-style-type: none"> <li>• Underlying sectors experiencing strong business growth / value migration / margin expansion / market share gains from unorganized segment;</li> <li>• Valuations are at a discount to intrinsic value and / or reasonable considering near to mid-term earnings growth prospects;</li> <li>• Corporate events like spin-off, buy-back, M&amp;A leading to value-unlocking / business expansion / ROE enhancement;</li> <li>• High governance standards and efficient capital allocation track record;</li> </ul> <p>The scheme will be anchored to investing in growth businesses and would be consensus agnostic. The scheme strives to adopt a prudent sell-discipline on achieving objective or fundamental thesis change as part of its on-going portfolio management.</p> <p>Definition of Large Cap, Mid Cap and Small Cap:</p> <p>As per Para 2.7.1 of SEBI Master Circular on Mutual Funds dated June 27 , 2024, a definition has been provided of large cap, mid cap and small cap as follows.</p> <p>a) Large Cap: 1st – 100th company in terms of full market capitalization  b) Mid Cap: 101st – 250th company in terms of full market capitalization  c) Small Cap: 251st company onwards in terms of full market capitalization.</p> <p>Subsequent to any updation in the above list, the portfolio would be re-balanced in line with the updated list within a period of one month.</p> <p>The scheme shall invest part of its portfolio in debt and money market instruments subject to permissible limits laid under SEBI (MF) Regulations and will be guided by credit quality, liquidity, interest rates outlook. The scheme shall also have an exposure to derivative instruments for the purpose of hedging, portfolio balancing and optimising returns.</p>

	<p><b>Derivatives Strategy</b></p> <p>The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Such investments shall be subject to the investment objective and strategy of the scheme and the internal limits if any, as laid down from time to time. These include but are not limited to futures (both stock and index) and options (stock and index).</p> <p>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 excuse such strategies.</p> <p>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.</p> <p>Invest in REITs and INVITs within the permissible regulatory limits shall be made to have a combination of periodical accrual (distribution) and an opportunity to benefit from capital gains.</p> <p>Portfolio Turnover: The scheme being an open-ended scheme, it is expected that there would be frequent subscriptions and redemptions. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. If trading is done frequently there may be an increase in transaction cost such as brokerage paid etc. The fund manager shall endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. The Scheme has no specific target relating to portfolio turnover.</p>
<p><b>Risk Profile of the Scheme</b></p>	<p>Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID/SAI carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:</p> <p><b>Risks associated with investments in Equity and Equity related instruments</b></p> <ul style="list-style-type: none"> <li>• Equity and equity related instruments are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. Also, the value of the Scheme investments may be affected by interest rates, currency exchange rates, changes in law/ policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors.</li> <li>• Investments in equity and equity related securities involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risk of loss.</li> <li>• Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended</li> </ul>

significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities.

•The AMC may invest in to be listed securities within the regulatory limit. This may however increase the risk of the portfolio as these to be listed securities are inherently illiquid in nature and carry larger liquidity risk as compared to the listed securities or those that offer other exit options to the investors.

#### **Risk Associated with investment in Overseas Securities**

The Scheme may invest in overseas markets subject to necessary approvals and within the limits specified in the asset allocation pattern of the scheme . Such investments carry risks related to fluctuations in the foreign exchange rates, the nature of the securities market of the country, repatriation of capital due to exchange controls and political circumstances. The AMC believes that investment in foreign securities offers new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued provided they are considered appropriate in terms of the overall investment objectives of the Scheme. Since the Scheme would invest only partially in foreign securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI / RBI from time to time.

**Currency Risk:** To the extent that the assets of the Scheme will be invested in foreign securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

**Regulatory Limit Risk** – The Scheme’s investments in overseas securities is subject to the regulatory limits applicable for overseas investments as prescribed by RBI/SEBI from time to time and as per the regulations prevailing in the overseas jurisdiction where investments are made/intended to be made. In this regard, overseas investments will be halted, if such limit is breached either at the mutual fund level or at mutual fund industry level.

#### **Risks associated with investments in Fixed Income Securities**

**Interest–Rate Risk:** Fixed income securities such as government bonds, corporate bonds, money market instruments and derivatives run price–risk or interest–rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase.

The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.

**Re–investment Risk:** Investments in fixed income securities carry re–investment risk as interest rates prevailing on the coupon payment or maturity dates may differ from the original coupon of the bond.

**Basis Risk:** The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio.

**Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

**Liquidity Risk:** The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.

**Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the Schemes' investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

**Credit Risk:** This is the risk associated with the issuer of a debenture/bond or a Money Market Instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government Securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.

**Settlement Risk:** Fixed income securities run the risk of settlement which can adversely affect the ability of the fund house to swiftly execute trading strategies which can lead to adverse movements in NAV.

**Risk associated with Securitized Debt:**

The Scheme may invest in domestic securitized debt such as Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS). ABS are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. MBS are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties.

At present in Indian market, following types of loans are securitized:

1. Auto Loans (cars / commercial vehicles /two wheelers)
2. Residential Mortgages or Housing Loans
3. Consumer Durable Loans
4. Personal Loans
5. Corporate Loans

In terms of specific risks attached to securitization, each asset class would have different underlying risks. Residential Mortgages generally have lower default rates than other asset classes, but repossession becomes difficult. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Asset classes like personal loans, credit card receivables are unsecured and in an economic downturn may witness higher default. A corporate loan/receivable, depend upon the nature of the underlying security for the loan or the nature of the receivable and the risks correspondingly fluctuate.

**Prepayment Risk:** This arises when the borrower pays off the loan sooner than expected. When interest rates decline, borrowers tend to pay off high interest loans with money borrowed at a lower interest rate, which shortens the average maturity of ABS. However, there is some prepayment risk even if interest rates rise, such as when an owner pays off a mortgage when the house is sold or an auto loan is paid off when the car is sold.

**Reinvestment Risk:** Since prepayment risk increases when interest rates decline, this also introduces reinvestment risk, which is the risk that the principal can only be reinvested at a lower rate.

**Risks associated with Investing in Structured Obligation (SO) & Credit Enhancement (CE) rated securities**

The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

–Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms and could include guarantee, shortfall undertaking, letter of comfort, etc. from another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Credit enhancement could include additional security in form of pledge of shares listed on stock exchanges, etc. SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of car loan receivables, securities backed by trade receivables, credit card receivables etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.

**Liquidity Risk:** SO rated securities are often complex structures, with a variety of credit enhancements.

Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is adversely affected compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the scheme to sell such debt instruments and generate liquidity for the scheme or higher impact cost when such instruments are sold.

**Credit Risk:** The credit risk of debt instruments which are CE rated derives rating based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, co-mingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions.

Therefore, apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

**Risks associated with investments in Derivatives**

- The Scheme may invest in derivative products in accordance with and to the extent permitted under the Regulations and by RBI. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of

margin which provides the possibility of great profit or loss in comparison with the principal investment amount. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Scheme.

- The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility to the values.

- Investment in derivatives also requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Scheme.

- The Scheme may face execution risk, whereby the rates seen on the screen may not be the rate at which the ultimate execution of the derivative transaction takes place.

- 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 options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However the gains of an options writer are limited to the premiums earned.

- The 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 writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.

- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.

- The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.

- There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. The counter party may default on a transaction before settlement and therefore, the Scheme is compelled to negotiate with another counterparty at the then prevailing (possibly unfavourable) market price.

- Derivatives also carry a market liquidity risk where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.

- Where derivatives are used for hedging, such use may involve a basis risk where the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risk may be inter-related also e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

- Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor / unitholder. Execution of investment strategies depends upon the ability of the fund manager(s) to identify such

opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) 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 following are certain additional risks involved with use of fixed income derivatives:  
Interest rate risk:

Derivatives carry the risk of adverse changes in the price due to change in interest rates.

Liquidity risk: During the life of the derivative, the benchmark might become illiquid and might not be fully capturing the interest rate changes in the market, or the selling, unwinding prices might not reflect the underlying assets, rates and indices, leading to loss of value of the portfolio.

#### **Risks associated with Covered Call Strategy**

The risk associated with covered calls is the loss of upside, i.e. if the shares are assigned (called away), the option seller forgoes any share price appreciation above the option strike price.

The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. 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 if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, 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.

The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss. 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 buy any options.

#### **Risks associated with Repo transactions in Corporate Bonds**

The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk is further mitigated through over-collateralization (the value of the collateral being more than the repo amount).

#### **Risks associated with segregated portfolio**

1. Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
2. Security comprises of segregated portfolio may not realise any value.
3. Listing of units of segregated portfolio on recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock

market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

#### **Risks associated with Securities Lending**

Securities Lending is lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. There are risks inherent in 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. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

#### **Risk Factors associated with Credit Default Swap**

Credit Risks– Counter party default creates a considerable risk in swap agreements. Parties may default on payment obligations.

Market Risks– CDS can be highly volatile in value, shifting with the underlying credit quality or general market conditions and could realise significant losses.

The Indian CDS market is still in its growing stage and lacks proper depth.

#### **Risk Factors Associated with Investments in REITs and InvITS**

- Market Risk : REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.

- Liquidity Risk: As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.

- Reinvestment Risk: Investments in REITs & 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 returns.

- Regulatory/Legal Risk : REITs and InvITs being new asset classes, rights of unit holders such as right to information etc may differ from existing capital market asset classes under Indian Law.

The above are some of the common risks associated with investments in REITs & InvITs. Investment results may vary substantially on a monthly, quarterly or annual basis.

#### **Risks associated with investment in units of mutual fund**

Investment in Mutual Fund Units involves investment risks, including but not limited to risks such as liquidity risk, volatility risk, default risk including the possible loss of principal.

- Liquidity risk – The liquidity of the scheme's investments is inherently restricted by trading volumes and settlement periods. In the event of an inordinately large number of redemption requests, or of a restructuring of the scheme's investment portfolio,



these periods may become significant. In view of the same, the right to limit redemptions will be in accordance with SEBI mandated process.

- Volatility risks: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification across companies and sectors.

- Default risk – Credit risk is risk resulting from uncertainty in counterparty's ability or willingness to meet its contractual obligations. This risk pertains to the risk of default of payment of principal and interest. Government Securities have zero credit risk while other debt instruments are rated according to the issuer's ability to meet the obligations.

**Risk Associated with investment in Instruments having Special Features:**

Credit Risk/Principal at risk: The issuer has the option to write off the principal in times of severe financial stress. Since these bonds are unsecured investor will have any recourse to recover money in case issuer write off the principal. Such bonds may get converted into equity on happening of certain pre-defined event.

Central Bank may instruct issuer of the bonds to write down the entire value of its outstanding AT1 bonds, if it thinks the bank has passed the Point of Non Viability (PONV), or requires a capital infusion to remain a going concern.

Also, issuer may not pay interest under certain circumstances. Such interest can not be recovered in future also.

Interest Rate Risk: where there is no defined maturity, it may yield lower interest especially when the interest rates are rising.

Liquidity Risk : There is no surety that bond holder will get your principal back on the call date as the issuer may choose to extend the tenure of bonds at a future date. Bond holder has the option of selling these bonds in the secondary market but bond holder may have to exit at a loss as the bond's price may differ from the cost price. Also, some of these are bonds are thinly traded, which means there are limited buyers.

**Risk factors associated with investment in unrated securities:**

The scheme may invest in unrated securities as permitted under regulation. Investment in unrated securities involve a risk of default or decline in market value higher than rated instruments due to adverse economic and issuer-specific developments. Such investments display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for unrated investments tends to be more volatile and such securities tend to be less liquid than rated debt securities.

**Risk factors associated with investment in Tri-Party Repo:**

The mutual fund is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). 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 CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL 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 non-defaulting 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. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL shall maintain two separate Default Funds in respect of its 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. The 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.

#### **Risk associated with potential change in Tax structure**

This summary of tax implications given in the taxation section is based on the current provisions of the applicable tax laws. This information is provided for general purpose only. The current taxation laws may change due to change in the 'Income Tax Act 1961' or any subsequent changes/amendments in Finance Act/Rules/Regulations. Any change may entail a higher outgo to the scheme or to the investors by way of securities transaction taxes, fees, taxes etc. thus adversely impacting the scheme and its returns.

#### **Risk Mitigation Measures:**

<b>Type of Instruments</b>	<b>Mitigation Measures</b>
Equity Markets/ Equity Oriented Instruments	<p>The scheme will comply with the prescribed SEBI limits on exposure. Risk will be monitored, and necessary action would be taken on the portfolio, if required. Attribution analysis will be done to monitor the under or over performance vis-a-vis the benchmark and the reasons for the same.</p> <p>Portfolio volatility &amp; concentration The overall volatility of the portfolio would be maintained in line with the objective of the scheme Volatility would be monitored with respect to the benchmark.</p> <p>Liquidity The scheme will predominantly invest across market capitalisation which are actively traded and thereby liquid. The liquidity would be monitored, and necessary action would be taken on the portfolio if required. Stock turnover is monitored at regular intervals.</p>
Debt and Money Market instruments	<p>Interest Rate Risk: The scheme would typically have a low to medium duration portfolio. The scheme may take positions in interest rate derivatives to hedge market/interest rate risks.</p> <p>Credit risk or default risk: The Fund will endeavour to minimise Credit/Default risk by primarily investing in investment grade fixed income securities rated by SEBI registered credit rating agencies. These securities carry relatively lower possibility of a default.</p>

		<p>Historical default rates for investment grade securities (BBB and above) have been low.</p> <p>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.</p> <p>Liquidity or Marketability Risk: The fund will endeavour to minimise liquidity risk by investing in securities having a liquid market.</p>
	Overseas Securities	<p>The Scheme may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses.</p> <p>Currency Risk: The Scheme shall, subject to applicable regulations, have the option (there is no obligation) to enter into forward contracts for the purpose of hedging against the foreign exchange fluctuations. The Scheme may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities.</p> <p>Country Risk: Investment universe will be carefully selected to include sound quality businesses.</p>
	Derivatives	<p>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.</p> <p>Debt derivatives will be undertaken as permissible under the SEBI Mutual Fund Regulations. Derivatives can be either exchange traded or can be over the counter (OTC).</p> <p>The Scheme may buy CDS only for the purpose of hedging the credit risk on debt securities.</p>

		Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID.
	Securities Lending	The SLB shall be operated through Clearing Corporation/Clearing House of stock exchanges having nation-wide terminals who are registered as Approved Intermediaries (AIs)." The risk is adequately covered as Securities Lending & Borrowing (SLB) is an Exchange traded product. Exchange offers an anonymous trading platform and gives the players the advantage of settlement guarantee without the worries of counter party default. The fund manager will endeavor to recall the securities in case lent securities are to be sold
	Repo Transactions	The choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. In the event the counterparty is unable to pay back the money to the scheme as contracted on maturity, the scheme may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to the counterparty.
	Units of REITs and InvITS	The Scheme will comply with the prescribed SEBI limits on exposure. The scheme will endeavour to invest in liquid REITs & InvITs.
	Instruments having Special Features	Investment may be done in Additional Tier I bonds and Tier 2 bonds issued under Basel III framework as permitted under SEBI Mutual Fund Regulations.
	Structured Obligation (SO) & Credit Enhancement (CE) rated securities	Scheme wise investments as prescribed by the regulations limits the exposure to such securities. Additionally, covenants of such structured papers are reviewed periodically for adequate maintenance of covers as prescribed in the Information Memorandum of such papers.
	Unlisted NCD's & Unrated Securities	The scheme may invest in Unlisted NCDs and unrated securities(BRDS, Usance Bills etc) as permitted under the Regulation.
	Government securities and Triparty repo on Government securities or treasury bills:	As a member of securities segment and Triparty repo segment, maintenance of sufficient margin is a mandatory requirement. CCIL monitors these on a real time basis and requests the participants to provide sufficient margin to enable the trades etc. Also there are stringent conditions / requirements before registering any participants by CCIL in these segments. Since settlement is guaranteed the loss on this account could be minimal though there could be an opportunity loss.

	Units of mutual fund schemes	Mutual Fund portfolios are generally well diversified and typically endeavor to provide liquidity on a T+1/T+2 basis.																																					
<b>Plans/Options</b>	<p>The Scheme offers two plans:</p> <p>a) Direct Plan b) Regular Plan</p> <p>Each of the Plans offer the following option:</p> <p>a) Growth Option</p> <p>The default plan is "Direct Plan", in case the broker code is not stated on the application.</p> <p>Application with broker code will be processed under Regular plan only.</p> <p>Default scenarios available to the Investors under the Plans of the Scheme:</p> <table border="1"> <thead> <tr> <th>Scenario</th><th>Broker Code mentioned by the Investor</th><th>Plan mentioned by the Investor</th><th>Default Plan to be captured</th></tr> </thead> <tbody> <tr> <td>1</td><td>Not Mentioned</td><td>Not Mentioned</td><td>Direct Plan</td></tr> <tr> <td>2</td><td>Not Mentioned</td><td>Direct Plan</td><td>Direct Plan</td></tr> <tr> <td>3</td><td>Not Mentioned</td><td>Regular Plan</td><td>Direct Plan</td></tr> <tr> <td>4</td><td>Mentioned</td><td>Direct Plan</td><td>Direct Plan</td></tr> <tr> <td>5</td><td>Direct Plan</td><td>Not Mentioned</td><td>Direct Plan</td></tr> <tr> <td>6</td><td>Direct Plan</td><td>Regular Plan</td><td>Direct Plan</td></tr> <tr> <td>7</td><td>Mentioned</td><td>Regular Plan</td><td>Regular Plan</td></tr> <tr> <td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr> </tbody> </table> <p>In cases of wrong / incomplete ARN codes mentioned on the application form, the application shall be processed under Direct Plan. The AMC shall endeavour on best effort basis to obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor. In case the correct code is received within 30 calendar days, the AMC shall reprocess the transaction under Regular Plan from the date of application without any exit load.</p> <p>The Scheme will have a common portfolio across various Plans/Options. The NAVs of the Growth Option under both plans will be different and declared separately.</p> <p>Treatment of Transactions received with invalid ARNs in view of AMFI Best Practices Guidelines Circular No.111 /2023-24 dated Feb 02, 2024:</p> <p>Guidelines for Processing of transactions received under Regular Plan with invalid ARN</p> <p>Transactions received in Regular Plan with Invalid ARN to be processed in Direct Plan of the same Scheme (even if reported in Regular Plan), applying the below logic:</p>			Scenario	Broker Code mentioned by the Investor	Plan mentioned by the Investor	Default Plan to be captured	1	Not Mentioned	Not Mentioned	Direct Plan	2	Not Mentioned	Direct Plan	Direct Plan	3	Not Mentioned	Regular Plan	Direct Plan	4	Mentioned	Direct Plan	Direct Plan	5	Direct Plan	Not Mentioned	Direct Plan	6	Direct Plan	Regular Plan	Direct Plan	7	Mentioned	Regular Plan	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
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Transaction Type	Primary ARN			Sub Distributor ARN		EUI N*	Execution only mentioned	Regular Plan/ Direct Plan
	Valid	Invalid	Emp ane led	Valid	Invalid	Valid	Yes	
Lumpsum/ Registration	Y		Y				Y	Regular
	Y		N	Not Applicable				Direct
	Y		Y	N. A	N. A	N. A	N	Regular*
	Y		Y	Y		Y		Regular
		Y						Direct
	Y		Y	Y			Y	Regular
	Y		Y		Y			Direct
Trigger	Y			Not Applicable				Regular
				Not Applicable				Direct

Note:

1) \*If the EUI N is invalid/missing, the transactions shall be processed in Regular plan, and the distributor/investor shall be given 30 day period from the date of the transaction for remediation of the EUI N. In such cases, the investor to be advised to either provide a different EUI N linked to the ARN who would be engaged in servicing the investor OR switch to Direct Plan. The commission shall not be paid to the ARN holder if the Switch transaction does not happen, or fresh EUI N is not provided within 30 days. The commission may be paid if the fresh EUI N is provided by client within 30 days.

2) For SIP & STP facilities, the ARN validity shall be verified / validated at the time of registration. For instances where the registration details not available in RTA records the transaction shall be treated as lumpsum purchase for validations. Distributors must reconcile the active / inactive SIPs with RTA's at regular intervals.

3) SIPs registered under ARN of deceased to continue till end of SIP registration period or investor's request as per AMFI guidelines; No fresh transactions or SIPs to be booked under the ARN of deceased MFD post cancellation of ARN at AMFI.

4) Only Sub-distributor's ARN with valid "ARN-" values in the transaction will be considered for validation of Sub- distributor ARN for all types of transactions (lumpsum/SIP/STP).

5) If the ARN is invalid as on date of SIP / STP registration, such registration and future transactions thereunder will be processed under DIRECT plan.

6) Transactions other than the physical mode which are found to be not in order basis above matrix, will be rejected at the time of upload / submission for following reasons: To give opportunity for the intermediary / platform to rectify details before submitting transactions or to report transactions as DIRECT.

If these transactions are accepted and processed as DIRECT, the intermediary placing the transaction will not be receiving reverse feeds and hence will not be able to reconcile.

Since the validation cannot be carried out at the time of acceptance or transactions received in physical form, , the same will be done at the time of processing the transaction, and if found to be invalid, the transaction will be processed under DIRECT.

	<p>7) Transactions received from the stock exchange platforms in Demat mode with invalid ARN shall be rejected instead of processing in Direct Plan for following reasons –</p> <p>a) Settlement of units will fail at clearing corporation due to mismatch of ISIN.</p> <p>b) If the RTA processes the transaction in DIRECT Plan, the AMC will face issues with corporate action wherein the clearing corporation will not be able to reconcile and credit the units.</p> <p>c) The distributor/broker will not be able to download the reverse feed/mail back report for the transactions reported by the respective distributor in case if we process under Direct Plan.</p> <p>For detailed disclosure on default plans and options, kindly refer SAI.</p>								
<b>Applicable NAV (after the scheme opens for subscriptions and redemptions )</b>	<p>Cut off timing for subscriptions/ redemptions/ switches on Ongoing basis post NFO:</p> <p>In case of Subscription/Switch-in for any amount (duly time stamped): Cut off timing 3.00 p.m.</p> <table border="1"> <tr> <td>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.</td><td>The closing NAV of the same day</td></tr> <tr> <td>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 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.</td><td>The closing NAV of the next Business Day.</td></tr> <tr> <td>Valid applications received upto 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the scheme after the cut-off time on the same day i.e. available for utilization after the cut-off time of the Day.</td><td>The closing NAV of the next Business Day.</td></tr> <tr> <td>Where the application is time stamped any day before the credit of the funds to the scheme but 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 that Business Day.</td><td>The closing NAV of such subsequent Business Day on which funds are available for utilisation.</td></tr> </table> <p>Realisation of funds means funds available to the AMC Scheme and not date and time of debit from Investor's account.</p> <p>In case application is time stamped after cut off timing on any day, the same will be considered as deemed to be received on the next business day.</p>	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 same day	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 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.	Valid applications received upto 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the scheme after the cut-off time on the same day i.e. available for utilization after the cut-off time of the Day.	The closing NAV of the next Business Day.	Where the application is time stamped any day before the credit of the funds to the scheme but 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 that Business Day.	The closing NAV of such subsequent Business Day on which funds are available for utilisation.
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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 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.								
Valid applications received upto 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the scheme after the cut-off time on the same day i.e. available for utilization after the cut-off time of the Day.	The closing NAV of the next Business Day.								
Where the application is time stamped any day before the credit of the funds to the scheme but 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 that Business Day.	The closing NAV of such subsequent Business Day on which funds are available for utilisation.								

	<p>In case funds are realised after cut-off timing on any day, the same will be considered as deemed to be realised / available for utilisation on the next business day.</p> <p>In case of investments through Systematic Investment Plan (SIP), Systematic Transfer Plans (STP), Other methods as may be offered by the AMC, Trigger etc. the units would be allotted as per the closing NAV of the day on which the funds are available for utilization irrespective of the instalment date of the SIP, STP, etc.</p> <p>Since different payment modes have different settlement cycles including electronic transactions (as per arrangements with Payment Aggregators/Banks/Exchanges etc), it may happen that the investor's account is debited, but the money is not credited within cut-off time on the same date to the Scheme's bank account, leading to a gap/delay in Unit allotment. Investors are therefore urged to use the most efficient electronic payment modes to avoid delays in realization of funds and consequently in Unit allotment.</p> <p>Redemptions including switch-outs:</p> <p>In respect of valid applications received upto 3.00 pm on a Business Day by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after the cut off time by the Mutual Fund, the closing NAV of the next Business Day shall be applicable.</p> <p>Outstation cheques/demand drafts will not be accepted.</p> <p>"Switch out" shall be treated as redemption and for "switch in" shall be treated as purchases and the relevant conditions for applicable NAV for subscription and redemption would be considered for switch in and switch out transactions.</p>		
<b>Minimum Application Amount/ Number of Units</b>	<p><b>Purchase</b></p> <p><b>During NFO:</b></p> <p>Minimum application amount (lumpsum): Rs. 5,000/- and in multiples of Re. 1/- thereafter.</p> <p><b>On Continuous basis:</b></p> <p>Fresh Purchase (lumpsum): Rs. 5,000/- and in multiples of Re. 1/- thereafter</p> <p>Systematic Investment Plan (SIP): Rs. Rs.500/- and in multiples of Re.1/-.</p> <p>The Scheme does not require maintenance of minimum balance in the units of the scheme.</p> <p>Note: The minimum application amount will</p>	<p><b>Additional Purchase</b></p> <p>Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p>Note: The minimum additional purchase amount will not be applicable for investment made in schemes in line with SEBI circulars on Alignment of interest of Designated Employees of AMC.</p>	<p><b>Redemption</b></p> <p>Re. 1 or 1 unit or account balance, whichever is lower.</p> <p>In case the balance in the account of the unitholder does not cover the amount of redemption request, then the Mutual Fund is authorized to redeem all the units in the folio and send the redemption proceeds to the unitholder.</p>



	not be applicable for investment made in the Scheme in line with SEBI circulars on Alignment of interest of Designated Employees of AMC.														
<b>Despatch of Redemption Request</b>	Within 3 working days of the receipt of the redemption request at the authorised centre of the Mutual Fund. A penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time, will be paid in case the redemption proceeds are not despatched within 3 Business Days of the date of valid redemption request. Irrespective of the source of payment for subscription.														
	For list of exceptional circumstances and additional timelines for redemption payments:														
	<table><tr><th>Situation</th><th>Additional Timeline</th></tr><tr><td>Payment of redemption proceeds through physical instruments (cheque / DD) where electronic fund transfer is not possible (such as old / non-Core Banking account / IFSC non-available records / IMPS failed records for reasons like name mismatch, technical error / Investor Bank not participating in Electronic Fund transfers or failure of electronic credit for any reason which are at the bank's end.</td><td>Additional 2 working days</td></tr><tr><td>On such days, where it is a bank holiday in some or all the states, but a business day for the stock exchanges.</td><td>Additional 1 working day following the bank holiday(s) in the State where the investor has bank account</td></tr><tr><td>Exceptional circumstances such a sudden declaration of a business day as a holiday or as a non-business day due to any unexpected reason / Force Majeure events.</td><td>In all such exceptional situations, the timelines prescribed in para no 14.1.3 of Master Circular of SEBI dated June 27, 2024,shall be counted from the date the situation becomes normal.</td></tr><tr><td>In all such cases where a request for Change of Bank account has been received just prior to (upto 10 days prior) OR simultaneously with redemption request.</td><td>In all such cases, the AMCs / RTAs can make the redemption payment after the cooling off period of 10 days from the date of receipt of COBM. The redemption transaction shall be processed as per the applicable NAV on the basis time stamp. The credit may either be given in the existing bank account or the new bank account post due diligence within 1 working day after cooling off period</td></tr><tr><td>Need for additional due diligence in instances such as Transmission reported in one fund, but not in the current fund, proceedings by Income Tax authorities, Folio under lock/bank lien etc.</td><td>Additional 3 working days</td></tr></table>			Situation	Additional Timeline	Payment of redemption proceeds through physical instruments (cheque / DD) where electronic fund transfer is not possible (such as old / non-Core Banking account / IFSC non-available records / IMPS failed records for reasons like name mismatch, technical error / Investor Bank not participating in Electronic Fund transfers or failure of electronic credit for any reason which are at the bank's end.	Additional 2 working days	On such days, where it is a bank holiday in some or all the states, but a business day for the stock exchanges.	Additional 1 working day following the bank holiday(s) in the State where the investor has bank account	Exceptional circumstances such a sudden declaration of a business day as a holiday or as a non-business day due to any unexpected reason / Force Majeure events.	In all such exceptional situations, the timelines prescribed in para no 14.1.3 of Master Circular of SEBI dated June 27, 2024,shall be counted from the date the situation becomes normal.	In all such cases where a request for Change of Bank account has been received just prior to (upto 10 days prior) OR simultaneously with redemption request.	In all such cases, the AMCs / RTAs can make the redemption payment after the cooling off period of 10 days from the date of receipt of COBM. The redemption transaction shall be processed as per the applicable NAV on the basis time stamp. The credit may either be given in the existing bank account or the new bank account post due diligence within 1 working day after cooling off period	Need for additional due diligence in instances such as Transmission reported in one fund, but not in the current fund, proceedings by Income Tax authorities, Folio under lock/bank lien etc.	Additional 3 working days
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Need for additional due diligence in instances such as Transmission reported in one fund, but not in the current fund, proceedings by Income Tax authorities, Folio under lock/bank lien etc.	Additional 3 working days														

<b>Benchmark Index</b>	Tier I: Nifty 500 TRI		
<b>Dividend Policy</b>	Not Applicable		
<b>Name of the Fund Manager</b>	Mr. Saravanan V N (CIO & Fund Manager) Aejas Lakhani (Equity Fund Manager) Karthik Srinivas (Debt Fund Manager) Aman Reddy Kakani(Overseas Securities)		
<b>Name of the Trustee Company</b>	Unifi Mutual Fund Trustee Pvt Ltd.		
<b>Performance of the scheme :</b>  [In case of a new scheme, the statement should be given " <i>This scheme does not have any performance track record</i> "]  Or  [In case of a scheme in existence, the return figures shall be given for that scheme only, as per the For a scheme which is in existence for more than 1 year, the returns given will be Compounded Annualised Returns and for scheme which is in existence for less than 1 year, the returns would be absolute returns since inception.] Absolute	Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
	Returns for the last 1 year		
	Returns for the last 3 years		
	Returns for the last 5 years		
	Returns since inception		
This is a new scheme, hence not applicable.  Absolute Returns for each financial year for the last 5 years			

returns for each financial year for the last 5 years shall be represented by means of a bar diagram as per the adjacent format.]	
<b>Additional Scheme Related Disclosures</b>	<p>This is the first scheme from Unifi Mutual Fund , hence the below disclosures are not required.</p> <ol style="list-style-type: none"> <li>1. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors to be provided through a functional website link that contains detailed description.): Not Applicable</li> <li>2. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description: Not Applicable</li> <li>3. Portfolio Turnover Rate particularly for equity oriented schemes shall also be disclosed.: The scheme is a new scheme , hence not applicable.</li> </ol>
<b>Expenses of the Scheme</b>  <b>Load Structure</b>  <b>Recurring expenses</b>	<p><b>Entry Load:</b> Nil</p> <p><b>Exit Load:</b></p> <p>In respect of each purchase of units via Lumpsum /Switch In/ Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP-in), Exit Load on redemption/ switch out will be determined as follows:</p> <ul style="list-style-type: none"> <li>• In case units are redeemed/switched out within 12 months from the date of allotment: <ul style="list-style-type: none"> <li>○ 1% of applicable NAV will be charged as Exit Load.</li> </ul> </li> <li>• In case units are redeemed/switched out after 12 months from the date of allotment, no Exit Load is applicable.</li> </ul> <p>The Trustees shall have a right to prescribe or modify the Exit Load structure subject to compliance of SEBI MF Regulations 1996.</p> <p><b>Annual Scheme Recurring Expenses</b></p> <p>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.</p> <p>Considering the asset allocation pattern of the scheme, AMC has estimated maximum TER upto 2.25% on the daily average net assets of the scheme . on the daily average net assets of the scheme as given below. For actual current expenses being charged, the investor should refer to the website of the mutual fund.</p>

Expense Head	% p.a. of daily Net Assets# (Estimated p.a. for equity oriented scheme)
Investment Management & Advisory Fee	
Trustee Fees & Expenses\$	
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements/ IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including Agents Commission and statutory Advertisement	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education & awareness <sup>1</sup>	
Brokerage & Transaction cost pertaining to distribution of units	
Goods & Services Tax on expenses other than investment and advisory fees <sup>2</sup>	
Goods & Services Tax on brokerage and transaction cost <sup>3</sup>	
Other Expenses (to be specified as per Reg 52 of SEBI (MF) Regulations)	
<b>Maximum Total expenses ratio (TER) permissible under Regulation 52(6) (c) <sup>4</sup></b>	Upto 2.25%
Additional expenses under Regulations 52(6A)(c)	0.05 <sup>2*</sup>
Additional expenses for gross new inflows from specified cities	0.30 <sup>**</sup>

**#Direct Plan** under the Scheme shall have a lower expense ratio than Regular Plan, excluding distribution expenses, commission, etc., and no commission shall be paid from Direct Plan. 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 a Regular Plan.

**<sup>1</sup>Investor Education and Awareness initiatives:** As per clause 10.1.16 of Master Circular, the AMC shall annually set apart 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Plan(s) under the Scheme within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken.

**\$** The Trusteeship fees as per the provisions of clause 27.1 of the Trust Deed shall be charged at 0.025% per annum on the daily net assets of the funds subject to a maximum of Rs. 40,00,000 per annum at Mutual Fund level. It has been decided by the Trustee to charge the Trusteeship Fees in proportion to the net assets of each of the Scheme of the Mutual Fund on a quarterly basis. Such fee shall be paid to the Trustees within fifteen days from the end of each quarter every year, namely, within 15 days from June 30, September 30, December 31 and March 31 of each year. The Trustees may charge expenses as permitted from time to time under the Trust Deed and SEBI (MF) Regulations. The Trustee reserves the right to change the method of allocation of Trusteeship fees for the Scheme, from time to time.

**Additional Expenses under Regulation 52 (6A):**

	<p>(i) Brokerage and transaction cost incurred for the purpose of execution of trade shall be charged to the schemes as provided under Regulation 52 (6A) (a) upto 12 bps and 5 bps for cash market transactions and derivatives transactions (if permitted under the scheme) respectively. Any payment towards brokerage and transaction costs, over and above the said 12 bps and 5 bps may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52.</p> <p>(ii) (ii) To improve the geographical reach of the Scheme in smaller cities / towns as may be specified by SEBI from time to time, expenses not exceeding 0.30% p.a. of daily net assets, if the new inflows from retail investors from such cities are at least (a) 30% of gross new inflows in the Scheme or (b) 15% of the average assets under management (year to date) of the Scheme, whichever is higher. In case inflows from retail investors from such cities are less than the higher of (a) or (b) above, such expenses on daily net assets of the Scheme shall be charged in accordance with clause 10.1.3 of Master Circular.</p> <p>The amount so charged shall be utilised for distribution expenses incurred for bringing inflows from retail investors from such cities. However, the amount incurred as expense on account of inflows from retail investors 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.</p> <p>Currently, SEBI has specified that the above additional expense may be charged for inflows from retail investors from beyond 'Top 30 cities'. Top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year. Inflows from "retail investors" shall mean inflows of amount upto Rs 2 lakhs per day, from individual investors.</p> <p>Note: SEBI vide its letter no. SEBI/HO/IMD-SEC-3/P/OW/2023/5823/1 dated February 24, 2023 and AMFI letter dated No. 35P/ MEM-COR/ 85-a/ 2022-23 dated March 02, 2023 has directed AMCs to keep B-30 incentive structure in abeyance with effect from March 01, 2023 till further notice. Accordingly, the B-30 incentive structure shall be implemented as per SEBI / AMFI directions from time to time.</p> <p>Expenses not exceeding 0.05% p.a. of daily net assets towards Investment Management and Advisory Fees and the various sub-heads of recurring expenses mentioned under Regulation 52 (2) and (4) respectively of SEBI (MF) Regulations.</p> <p>All scheme related expenses including commission paid to distributors, if any, by whatever name it may be called and in whatever manner it may be paid, shall necessarily paid from the scheme only within the regulatory limits and not from the books of AMC, its associate, sponsor, trustees or any other entity through any route in terms of SEBI circulars, subject to the clarifications provided by SEBI to AMFI vide letter dated February 21, 2019 as amended from time to time on implementation of clause 10.1.12 of Master Circular on Total Expense Ratio (TER) and performance disclosure for Mutual Fund.</p>
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The total expenses charged to the Scheme shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations and as permitted under SEBI Circulars issued from time to time.

The mutual fund would update the current expense ratios on the website ([www.unifimf.com](http://www.unifimf.com)) at least three working days prior to the effective date of the change and update the TER under the tab 'TER' on the website.

The total expense ratios of the schemes of the Fund are available in downloadable spreadsheet format on the AMC website and AMFI website. Any change in the expense ratios will be updated at least three working days prior to the effective date of the change. For the current total expense ratio details of the Scheme, investors may <https://unifimf.com/ter/> as well as AMFI's website viz., [www.amfiindia.com](http://www.amfiindia.com).

## <sup>2</sup>**GST :**

As per clause 10.3 of the Master Circular, GST shall be charged as follows:

1. GST on investment management and advisory fees shall be charged to the Scheme in addition to the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
2. GST on other than investment management and advisory fees, if any, shall be borne by the Scheme within the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
3. GST on exit load, if any, shall be paid out of the exit load proceeds and exit load net of GST, if any, shall be credited to the Scheme.
4. GST on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the SEBI (MF) Regulations.

<sup>3</sup>There shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) viz. Investment Management and Advisory Fees and various sub-heads of recurring expenses respectively.

\*As per Para 10.1.7 of SEBI Master Circular on Mutual Funds dated June 27, 2024, schemes wherein exit load is not levied, the AMC shall not be eligible to charge the above-mentioned additional expenses for such scheme.

## **Illustration:**

### **Impact of Expense Ratio on Scheme's return:**

Expense ratio, normally expressed as a percentage of Average Assets under Management, is calculated by dividing the permissible expenses under the Regulations by the average net assets. To further illustrate the above in rupees terms, for the Scheme under reference, suppose an Investor invested Rs. 10,000/- (after deduction of stamp duty and transaction charges, if any) the impact of expenses charged will be as under:

Particulars	Regular Plan	Direct Plan
Amount invested at the beginning of the year (Rs.)	10,000	10,000
Returns before expenses (Rs.)	1500	1,500

	Expenses other than Distribution expenses (Rs.)	150	150							
	Distribution expenses (Rs.)	50								
	Returns after expenses at the end of the year(Rs.)	1300	1350							
	Returns (in %)	13%	13.5%							
<p><b>Note(s):</b></p> <ul style="list-style-type: none"> <li>The purpose of the above illustration is purely to explain the impact of expense ratio charged under the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.</li> <li>It is assumed that the expenses charged are evenly distributed throughout the year.</li> <li>The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses/commission.</li> <li>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 seek appropriate advice.</li> </ul> <p><b>TER for the Segregated Portfolio</b></p> <ol style="list-style-type: none"> <li>AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.</li> <li>The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.</li> <li>The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.</li> <li>The costs related to segregated portfolio shall in no case be charged to the main portfolio.</li> </ol>										
<b>Tax treatment for the Investors (Unitholders)</b>	Investor will be advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.									
	<p><b>Capital Gains:</b> <b>For Equity Oriented Funds:</b></p> <table> <tr> <th>Particulars</th><th>Resident Investors</th><th>Non-Resident Investors</th><th>Mutual Fund</th></tr> <tr> <td>Long Term (period of holding more than 12 months*) – for</td><td>12.5% without indexation (Exceeding Rs. 1.25 lakhs)+ applicable Surcharge + 4%</td><td>12.5% without indexation and foreign currency fluctuation benefits(Exceeding</td><td>Nil</td></tr> </table>			Particulars	Resident Investors	Non-Resident Investors	Mutual Fund	Long Term (period of holding more than 12 months*) – for	12.5% without indexation (Exceeding Rs. 1.25 lakhs)+ applicable Surcharge + 4%	12.5% without indexation and foreign currency fluctuation benefits(Exceeding
Particulars	Resident Investors	Non-Resident Investors	Mutual Fund							
Long Term (period of holding more than 12 months*) – for	12.5% without indexation (Exceeding Rs. 1.25 lakhs)+ applicable Surcharge + 4%	12.5% without indexation and foreign currency fluctuation benefits(Exceeding	Nil							

	transfers taking place on or after 23 July 2024	Cess	Rs..1.25 lakhs) + applicable Surcharge + 4% Cess	
	Short Term (period of holding less than or equal to 12 months) – for transfers taking place on or after 23 July 2024	20% + applicable Surcharge + 4% Cess	20% + applicable Surcharge + 4% Cess	Nil

\*Aggregate long term capital gains exceeding one lakh twenty-five thousand rupees in a financial year, arising from the transfer of units of an 'equity oriented fund', equity shares and units of business trust are chargeable to tax at 12.5 per cent (plus the applicable surcharge, health and education cess).

Under Income Tax Act' 1961 an equity oriented fund is defined as a fund whose investible funds are invested in equity shares of domestic companies to the extent of more than 65% of the total proceeds of such fund. The percentage of equity share holding of the fund shall be computed with reference to the annual average of the monthly average of the opening and closing figures.

Securities Transaction Tax ("STT") is applicable on transactions of purchase or sale of units of an equity-oriented fund entered into on a recognized stock exchange or on sale of units of equity-oriented fund to the Fund.

**Securities Transaction Tax**

Chapter VII of Finance (No.2) Act, 2004 lays down the provisions pertaining to Securities Transaction Tax. Section 100 of the Finance (No. 2) Act, 2004 which provides for collection and recovery of Securities Transaction Tax, states that every recognized stock exchange shall collect the said Securities Transaction Tax from the purchaser or seller, as per the rates specified in Section 98 of the Finance (No.2) Act, 2004 and deposit the same to the Government.

In the case of a Mutual fund, the aforesaid Section provides that the Securities Transaction Tax shall be collected by the 'person responsible' which is defined in Rule 5 of the Securities Transaction Tax Rules, 2004 to mean a trustee of the fund or any person who manages the affairs of the fund. Thus, on a combined reading of Section 100 with Rule 5, Securities Transaction Tax in a mutual fund is collected by the person responsible and paid to the credit of the Central Government by the 7<sup>th</sup> day of the month immediately following the calendar month.

The taxable Securities Transactions have been provided for, under Section 98 of the Finance (No.2) Act, 2024.



	Sr. No.	Taxable Securities Transaction	Rate	Value	Payable by
	1.	Purchase of units of equity oriented mutual fund (delivery based) on recognized stock exchange	Nil	Not Applicable	Not Applicable
	2.	Sale of units of equity oriented mutual fund (delivery based) on recognized stock exchange	0.001per cent	Value at which units are sold	Seller
	3.	Sale of units of equity oriented mutual fund (non-delivery based)	0.025per cent	Value at which the shares/unit s are sold	Seller
	4.	Sale of a unit of an equity-oriented fund to the Mutual Fund	0.001per cent	Value at which units are sold	Seller
<p><b><u>Withholding tax applicability in case of inoperative PAN</u></b></p> <p>As per section 139AA of the Income-tax Act, 1961, 1961Income-tax Act, 1961 read with rule 114AAA of the Income-tax Rules, 1962, in the case of a resident person, whose PAN has become inoperative due to non-linking of PAN with Aadhaar, it shall be deemed that he has not furnished the PAN and tax could be withheld at a higher rate of 20% as per section 206AA of Income-tax Act, 1961. For linking PAN with Aadhaar, fees of Rs. 1,000 has been prescribed.</p> <p><b><u>Withholding tax applicability on payments to non-filers of return</u></b></p> <p>As per section 206AB of Income-tax Act, 1961, tax to be deducted at twice the applicable rate in case of payments to specified person (except non-resident not having permanent establishment in India or person who is not required to furnish the return of income as notified by the Central Government) who has not furnished the return of income for the assessment year relevant to previous year immediately preceding the financial year in which tax is required to be deducted:</p> <ul style="list-style-type: none"> <li>• For which time limit for filing return has expired; and</li> <li>• The aggregate of tax deducted at source or tax collected at source in his case is Rs. 50,000 or more in the said previous year.</li> </ul> <p>Additionally, if provisions of section 206AA are also applicable then tax to be deducted at higher of the two rates provided i.e. rate as per section 206AB or section 206AA.</p> <p>For further details , refer SAI.</p>					
<b>Daily Net Asset Value (NAV) Publication</b>	<p>The AMC will calculate and disclose the first NAV upto four decimal places of the Scheme within a period of 5 Business Days from the date of allotment. Subsequently, the AMC will calculate and disclose the NAVs upto four decimal places on all Business Days. The AMC shall update the NAVs on website of the Association of Mutual Funds in India-AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) and on the website of AMC (<a href="http://www.unifimf.com">www.unifimf.com</a>) before 11.00 p.m. on every Business Day.</p>				

<p><b>For Investor Grievances please contact</b></p>	<p>Investor grievances will normally be received directly by the Registrar and Transfer Agent or at the Investor Service Centres or at the office the AMC.</p> <p><b>Computer Age Management Services Limited (CAMS)</b> SEBI Regn. No. INR000002813 Rayala Towers, 158, Anna Salai, Chennai – 600 002. Contact Details: 18003092833 E-mail: <a href="mailto:enq_ufi@camsonline.com">enq_ufi@camsonline.com</a> Website Address: <a href="http://www.camsonline.com">www.camsonline.com</a></p> <p><b>Contact details for general service requests:</b></p> <p>You may call on Toll Free: 18003092833 (Monday to Friday [9 am] to [6 pm], Saturday [9 am] to [1 pm]) or write to us on email id: <a href="mailto:services@unifimf.com">services@unifimf.com</a> or raise a service ticket on our website at link: <a href="http://www.unifimf.com">www.unifimf.com</a></p> <p><b>Contact details for complaint resolution:</b> Mr. Suresh Kumar N K Investor Relations Officer Tel No: 18003092833 Email: <a href="mailto:iro@unifimf.com">iro@unifimf.com</a></p> <p>Investors also have an option to approach SEBI, by logging a complaint on SEBI's complaints redressal system (SCORES 2.0), the website address is : <a href="https://scores.sebi.gov.in">https://scores.sebi.gov.in</a>.</p>
<p><b>Unitholders' Information</b></p>	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working 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).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor if any) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month within 12 days from the end of the month for the unitholders who have opted for delivery via electronic mode and within 15 days from the end of the month for unitholders who have opted for delivery via physical mode.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 18<sup>th</sup> day of April and September for investors who have opted for delivery via electronic mode and on or before 21<sup>st</sup> day of April and October for investors who have opted delivery via physical mode, providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAI.</p> <p><b>Portfolio Disclosure:</b></p> <p>Portfolio shall be disclosed as on last day of the month/half year within 10 days from the end of month/half year. Portfolio shall be disclosed on AMC website at link: <a href="http://www.unifimf.com/statutorydocuments/">www.unifimf.com/statutorydocuments/</a> and on AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a> . Portfolio shall be disclosed in a user – friendly and downloadable spreadsheet format. Portfolio shall also be sent by e-mail to all unitholders by the AMC/Mutual Fund.</p>

	<p>The Mutual Fund shall publish an advertisement disclosing uploading of half year scheme portfolio on its website, in one English daily newspaper and in one Hindi daily newspaper having nationwide circulation. Physical copy of the scheme portfolio shall be provided to unitholders on receipt of specific request from the unitholder, without charging any cost.</p> <p><b>Half Yearly Financial Results:</b></p> <p>The Mutual Fund shall within one month from the close of each half year, that is on March 31 and on September 30, host a soft copy of its unaudited financial results on the AMC website <a href="https://unifimf.com/statutorydocuments/">https://unifimf.com/statutorydocuments/</a> and shall publish an advertisement disclosing the hosting of financial results on the AMC 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 would be displayed on AMC website <a href="http://www.unifimf.com">www.unifimf.com</a> and AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a>.</p> <p><b>Annual Report:</b></p> <p>Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within four months from the date of closure of the relevant financial year i.e. 31st March each year as under:</p> <ul style="list-style-type: none"> <li>• by email to the unitholders whose email address is available with the Mutual Fund.</li> <li>• in physical form to the unitholders whose email address is not available with the Fund and/or to those Unit holders who have opted / requested for the same.</li> </ul> <p>An advertisement shall also be published in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC <a href="https://unifimf.com/statutorydocuments/">https://unifimf.com/statutorydocuments/</a> and AMFI <a href="http://www.amfiindia.com">website www.amfiindia.com</a></p> <p>The physical copy of the scheme wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC.</p>
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**Please refer to the Statement of Additional Information and Scheme Information Document for any further details.**

**Note: The Trustees have ensured that the Scheme approved by them is a new product offered by Unifi Mutual Fund and is not a minor modification of an existing scheme / fund / product.**