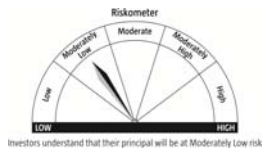
Scheme Information Document
Canara Robeco Dual Advantage Fund Series 1
(A Close Ended Hybrid Scheme)

NAME OF THE SCHEME/PLAN	THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*	RISKO METER
Canara Robeco Dual Advantage Fund Series 1	• Income / Capital appreciation over long term • Investment primarily in Debt and Money Market Instruments for regular returns & Equity and Equity-related Instruments for capital appreciation.	

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

Offer for Units of face value Rs.10 per unit during the New Fund Offer.

New Fund Offer Opens on: 18th May, 2018
New Fund Offer Closes on: 1st June, 2018

Name of the Mutual Fund
Canara Robeco Mutual Fund

Name of the Asset Management Company
Canara Robeco Asset Management Company Ltd.

Name of the Trust
Canara Robeco Mutual Fund
Address: Construction House, 4th Floor, 5, Walchand Hirachand Marg,
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Fax : 6658 5012/13
CIN: U65990MH1993PLC071003
E-Mail: crmf@canararobeco.com
Website: www.canararobeco.com

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

*This Scheme Information Document sets forth concisely the information about the **Canara Robeco Dual Advantage Fund Series 1** that a prospective investor should know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund/ Investor Services Centres/Web site/Distributors or Brokers.*

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Canara Robeco Mutual Fund, Tax and Legal issues and general information on www.canararobeco.com.

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

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated 7th May, 2018.

Disclaimer of NSE:

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE vide its letter no. NSE/LIST/17878 dated September 01, 2017 has given permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the Stock Exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund. Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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Summary of the Scheme

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<tr><td>Name of the Scheme</td><td>Canara Robeco Dual Advantage Fund Series 1</td></tr>
<tr><td>Type / Category</td><td>Close Ended Hybrid Scheme</td></tr>
<tr><td>Investment Objective</td><td>To generate income / capital appreciation from a portfolio constituted of Debt and Money Market Instruments for regular returns & Equity and Equity-related Instruments for capital appreciation. However, there is no assurance or guarantee that the investment objective of the Schemes will be achieved.</td></tr>
<tr><td>Tenure</td><td>The scheme will have tenure of 1105 days from the date of allotment of units.

If the Maturity date happens to be a non-business day, the immediately following business day will be considered as the maturity date for the Scheme.</td></tr>
<tr><td>Plan/Options Available</td><td>The Scheme will offer two plans Regular and Direct. Under each plan there are two options

• Regular plan: Growth, Dividend (Payout)
• Direct plan: Growth, Dividend (Payout)

In case of valid applications received the default plan will be captured based on below table

<table>
<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>
<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</td><td>Direct Plan</td></tr>
<tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr>
<tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr>
<tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr>
</table>

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</td></tr>
<tr><td>Minimum Application Amount</td><td>Minimum amount: Rs.5,000.00 and multiples of Rs.10.00 thereafter.
Minimum application amount is applicable for switch-ins made during the New Fund Offer period as well.</td></tr>
<tr><td>Load Structure</td><td><u>Entry Load</u>
Nil. SEBI vide its Circular No. SEBI / IMD / CIR No. 4 / 168230 / 09 dated June 30, 2009 has stipulated that there shall be no Entry Load for all mutual fund schemes. The upfront commission on investment made by the investor, if any, shall be paid to the distributor (AMFI registered distributor / ARN Holder) directly by the investor, based on the investor’s assessment of various factors including service rendered by the distributor.
<u>Exit Load/ Switch-over load: Nil</u></td></tr>
</table>

	Being a listed scheme, no redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so through stock exchange mode.
Benchmark	CRISIL Hybrid 85+15 - Conservative Index As approved by the Board of Trustees, the above mentioned Benchmark is selected for the Fund. However, the Trustees reserve the right to change the benchmark if due to a change in market conditions, a different index appears to be providing a more appropriate basis for comparison of fund performance or if the indicated benchmark ceases to exist or undergo a substantial change that renders it an ineffective base for performance comparison and analysis. Any change in the Benchmark Index for the Scheme would be actuated only post approval from Board of Trustees
NFO Price	**Face value of Rs.10/- per unit**
Liquidity	The Scheme being offered through this Scheme Information Document is a close ended Hybrid Scheme. In-principle approval has been obtained from NSE vide its letter NSE/LIST/17878 dated September 01, 2017 for listing the units on the exchange Units in demat form can be traded on NSE.The units may be listed on NSE and/or other stock exchange(s) as may be deemed appropriate by the AMC, accordingly then reference herein to NSE shall be deemed to mean and include NSE and/or such other Stock Exchange(s). Applicant who wishes to apply for allotment in electronic form must have a DEMAT account prior to making the application. The Units would be available for trading only in electronic form as per the ISIN allotted by NSDL and CDSL. No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchanges (subject to suspension of trading). Unit Holders who do not opt for allotment of units in electronic from or where the units are not credited to the beneficiary account(s) can DEMATerialize their holdings and then exit the scheme by selling their units through the stock exchange. The price of the Units in the market will depend on demand and supply at that point of time. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days. In case the investor has opted to switch out to an existing open ended scheme of CRMF, the units will be switched out on the maturity date and the switch-in will be subject to applicable cut-off timing provisions of the switch-in scheme.
Maturity	Units of the Scheme shall be fully redeemed/switched-out at the end of the maturity period. The Scheme will have tenure of 1105 days from the date of allotment of units under the Scheme. On maturity of the scheme, the outstanding Units shall either be redeemed and proceeds will become payable to the Unitholder or will be switched-out to any existing open ended scheme of the Mutual Fund in the respective options, as opted but the Unitholder, as the case may be. If the investor does not select any of the aforesaid options, then the units of the scheme will be redeemed by default. The switch-in in the scheme will be subject to applicable cut-off timing provisions. The switch option/facility as mentioned above shall not be applicable for Units held in DEMAT form. Maturity proceeds would be payable to investors as per the bank details provided in the beneficiary position details received from depositories, in case of units held in DEMAT form. Redemption amount/ maturity proceedings will be paid to the Unit Holders within 10 business days from the maturity date.

	If the maturity date falls on a non-business day, the immediately following business day will be considered as the maturity date for the Scheme.
NAV Disclosure/ Portfolio Disclosure	**NAV Disclosure:** The AMC will calculate and disclose the first NAV(s) of the scheme not later than 5 (five) Business days from the date of allotment. Thereafter, the NAV will be calculated and disclosed for every Business Day. NAV of the scheme will be calculated up to two decimal places and shall be published in at least two daily newspapers on daily basis in accordance with the SEBI Regulations. The AMC shall update the NAVs on the website of Association of Mutual Funds in India – AMFI (www.amfiindia.com) and the website of the AMC www.canararobeco.com by 9.00 p.m. every day. In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs. **Portfolio Disclosure:** As presently required by the SEBI Regulations, the portfolio of the schemes shall be available in a user-friendly and downloadable format on the website of AMC (www.canararobeco.com) on or before the tenth day of the succeeding month. As presently required by the SEBI Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in a newspaper within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.
Applications Supported By Blocked Amount (ASBA)	Investors may apply through the ASBA process during the NFO period of the Scheme by filling in the ASBA form and submitting the same to their respective banks, which in turn will block the amount in the account as per the authority contained in ASBA form, and undertake other tasks as per the procedure specified therein. For complete details on ASBA process refer Statement of Additional Information (SAI) made available on our website www.canararobeco.com
Listing	The Units are proposed to be listed on NSE or any other recognized Stock Exchange as may be approved by the Trustee, within 5 business days from the date of allotment. For details, please refer provision for Listing under 'Units and Offer'.
Transaction Charges	The AMC shall deduct the Transaction Charges on purchase / subscription of Rs. 10,000/- and above received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/agent (who have opted to receive the transaction charges for this Scheme type) as under: **First Time Mutual Fund Investor**: Transaction charge of Rs.150/- for subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first-time investor. The balance of the subscription amount shall be invested. **Investor other than First Time Mutual Fund Investor:** Transaction charge of Rs.100/- per subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the investor. The balance of the subscription amount shall be invested. **Transaction charges shall not be deducted for:** • Purchases /subscriptions for an amount less than Rs. 10,000/-; • No transaction charges will be deducted for any purchase/subscription made directly with the Fund (i.e. not through any distributor/agent).

	• Transactions carried out through the stock exchange mode. For further details on transaction charges refer to the ‘Transaction Charges’ on Page 69.
Option to Hold Units in DEMAT mode	Investors shall have an option to subscribe to/ hold the units in electronic (DEMAT) form in accordance with the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. Investors intending to hold units in electronic (DEMAT) form will be required to have beneficiary account with a Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate, in the application form, the DP's name, DP ID Number and the Beneficiary account number of the applicant held with the DP at the time of NFO. Applicants must ensure that the sequence of the names as mentioned in the application form matches with that of the beneficiary account held with the DP. Names, PAN details, KYC details etc. mentioned in the Application Form will be verified against the Depository records. If the details mentioned in the application form are found to be incomplete / incorrect or not matching with the depository records, the application shall be treated as application for physical (non-DEMAT) mode and accordingly units will be allotted in physical (non-DEMAT) mode, subject to it being complete in all other aspects. For conversion of physical holdings into DEMAT form, the unit holders will have to send the DEMAT requests to their Depository Participants. No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Unit holders wishing to exit may do so through the Stock Exchange mode. In case, the Unitholder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in physical (non-DEMAT) mode into electronic (DEMAT) form or vice-versa should be submitted along with a DEMAT / REMAT Request Form to their Depository Participant(s). Investors should ensure that the combination of names in the account statement is the same as that in the DEMAT account. The allotment of units in DEMAT form shall be subject in terms of the guidelines / procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. Further, the units held in electronic (DEMAT) form will be transferable in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

I. Introduction

A. Risk Factors

I. **Standard Risk Factors:**

- Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.
- Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the objectives of the Scheme will be achieved.
- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rate of the securities in which the scheme invests fluctuates the value of your investment in the scheme may go up or down.
- The past performance of the Sponsors/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- Canara Robeco Dual Advantage Fund Series 1 is only the names of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or returns.
- Canara Bank and ORIX Corporation Europe N.V (formerly Robeco Groep N. V.), being the Sponsors, are not responsible or liable for any loss resulting from the operation of the Scheme/s beyond the initial contribution of Rs. 10 Lacs made by it towards setting up Canara Robeco Mutual Fund.
- The present scheme(s) is not a guaranteed or assured return scheme(s).

II. **Scheme specific Risk Factors:**

The performance of Scheme will be affected by a number of risk factors including the following:

In general, investment in the scheme may be affected by risks associated with equities and fixed income securities. The Scheme retains the flexibility to hold from time to time relatively more concentrated investments in a few sectors as compared to plain diversified equity funds. This may make the Scheme vulnerable to factors that may affect these sectors in specific and may be subject to a greater level of market risk leading to increased volatility in the Scheme's NAV. The Scheme being close ended its units would be listed on a stock exchange. The Scheme does not guarantee a liquidity and active secondary market for its units on the stock exchange and hence the units may trade at a premium or discount to its NAV.

- **Risks associated with transaction in units through stock exchange mechanism**
  Units of the Schemes will be traded on NSE or any other recognised stock exchange. Debit/Credit of Units in investor's DEMAT account on any Business Day will depend upon the order processing/settlement by NSE or such other exchange and their respective clearing corporations on which the Fund has no control. Further, transactions conducted through the stock exchange shall be governed by the operating guidelines and directives issued by NSE or such other recognised exchange in this regard.

- **Risk associated with close ended Schemes:**
  A close ended Scheme endeavors to achieve the desired returns only at the scheduled maturity of the Scheme. Investors who wish to exit/redeem before the scheduled maturity date may do so through the stock exchange mode, if they have opted to hold Units in a DEMAT form, by mentioning their DEMAT details on the NFO application form. For the units listed on the exchange, it is possible that the market price at which the units are traded may be at a discount to the NAV of such Units. Hence, Unit Holders who sell their Units in a Scheme prior to maturity may not get the desired returns. Although the securities in the portfolio will have high market liquidity at the end of the tenure of the Scheme, there is a possibility that market liquidity could get impacted on account of company/sector/general market related events and there could be a price impact at maturity while liquidating the portfolio.

- **Risk associated with Listed Schemes:**
  Investors who hold units in DEMAT form and wish to exit/redeem may do so through the stock exchange mode. For the units listed on the exchange, it is possible that the market price at which the units are traded may be at a discount to the NAV of such Units. Hence, Unit Holders who sell their Units in a Scheme on the exchange may not get the desired returns.
  - Absence of Prior Active Market:
  - Although the scheme will be listed on stock exchange, there can be no assurance that an active secondary market will develop or be maintained.

III. <u>Risks associated with investments in Equities:</u>

Equity and equity related securities 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's portfolio could result, at times, in potential losses to the Scheme, should there be a subsequent decline in the value of Securities held in the Scheme's portfolio. The liquidity and valuation of the Scheme's investments due to its holdings of unlisted Securities may be affected if they have to be sold prior to the target date for divestment. All investments involve risks and there can be no guarantee against loss resulting from an investment in any share of the Scheme, nor can there be any assurance that the Scheme's investment objective will be attained in respect of its overall performance. In certain circumstances the right of the investors of the Scheme may be suspended. Consequently, the NAVs of units issued under the Scheme may be adversely affected.

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. Consequently, the NAVs of units issued under the Scheme may be adversely affected.

Further, the Equity and Equity Related Instruments are risk capital and are subordinate in the right of payment to other securities including debt securities. Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Schemes unless they can afford to take the risk of losing their investment.

The Fund Manager of the Scheme may invest in the Securities of smaller, lesser-known companies. These investments may involve greater risk and the possibility of greater portfolio price volatility than investing in larger, more mature or better-known firms. Amongst other reasons for the greater price volatility of Securities of small companies and unseasoned stocks are the less certain growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks, and the greater sensitivity of small companies to changing economic conditions. For example, these companies are associated with higher investment risk than that normally associated with larger firms due to the greater business risks of small size and limited product lines, markets, distribution channels and financial and managerial resources. Such Securities, including those of newer or recently restructured companies or those which may have experienced financial difficulties, may be more volatile in price than larger capitalized stocks.

Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The Scheme's ability to sell these investments is limited by overall trading volumes on the stock exchanges. In certain cases, 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 may result, at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme's portfolio.

IV. Risk Factors associated with investments in Fixed Income Securities:

Price-Risk or Interest - Rate Risk: Fixed income securities such as bonds, debentures and money market instruments 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 is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

Re - investment Risk: Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.

Pre-payment Risk: Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

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.

Credit Risk: In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in Government securities, there is no credit risk to that extent.

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.
Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the scheme’s risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.

V. Risk associated with investing in Derivatives

As and when the Scheme trades in the derivatives market, there are risk factors that investors should understand. 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 also of the derivative itself. Derivatives require 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. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risk 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.

Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Derivatives can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Fund Manager involve uncertainty and decision of Fund Manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies.

The risk associated with the use of derivatives is different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in the losses that significantly exceed the Scheme's original investment. Certain derivatives may give rise to a form of leverage. Due to the low margin deposits normally required in trading financial derivative instruments, an extremely high degree of leverage is typical for trading in financial derivative instruments. As a result, the Scheme may be more volatile than if the Scheme had not been leveraged because the leverage tends to exaggerate the effect of any increase or decrease in the value of the Scheme's portfolio. A relatively small price movement in a derivative contract may result in substantial losses to the investor.

Derivatives are also subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. The use of derivatives for hedging or risk management purposes or to increase income or gain may not be successful; resulting in losses to the Scheme and the cost of such strategies may reduce the Scheme's returns and increase the Scheme's potential for loss.

The Scheme may use derivatives to hedge market and currency risk, and for the purposes of efficient portfolio management. The use of derivatives may expose the Scheme to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared.

The price at which credit default swaps trades may differ from the price of the credit default swaps' referenced security. In adverse market conditions, the basis (difference between the spread bonds and the spread of credit default swaps) can be significantly more volatile than the credit default swaps' referenced securities.

Trading in derivatives has the following risks:

- An exposure to derivatives in excess of the hedging requirements can lead to losses.
- An exposure to derivatives can also limit the profits from a genuine investment transaction.
- Efficiency of a derivative market depends on the development of a liquid and efficient market for underlying securities.

Particular Risks of Exchange Traded Derivative Transactions

The securities exchange on which the shares of the Scheme may be listed may have the right to suspend or limit trading in all securities which it lists. Such a suspension would expose the Scheme to losses and delays in its ability to redeem shares of the Scheme.

a) Stock Market Fluctuations

Investors may note that the value of their investment may fall as well as rise and they may get back less than they originally invested. The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.

b) Dividends

The Scheme may distribute not only investment income, but also realised capital gains or capital. Where capital is distributed, this will result in a corresponding reduction in the value of shares of the Scheme, and a reduction in the potential for long-term capital growth.

c) Warrants

The Scheme may invest in warrants; the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

d) Futures and Options

The Scheme may use options and futures on securities, indices and interest rates for the purpose of efficient portfolio management.

Transactions in futures and options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

e) Listing

In case the shares of the Scheme are listed, the exchanges on which those shares are listed will have no responsibility for the contents of any prospectus issued by the Scheme or will make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any kind of loss arising from or in reliance upon any part of any such prospectus.

VI. Risks Associated with investing in Money Market Instruments

Investments in money market instruments would involve a moderate credit risk i.e. risk of an issuer's inability to meet interest and principal payments.
Money market instruments may also be subject to price volatility due to factors such as changes in interest rates, the general level of market liquidity and market perception of creditworthiness of the issuer of such instruments.

The NAV of the Units, to the extent that the corpus of the Scheme is invested in money market instruments, will be affected by changes in the level of interest rates. When interest rates in the market rise, the value of a portfolio of money market instruments can be expected to decline.

VII. Risk profile and Control Measures

Please refer to Risk Factors for details on Risk Profile pertaining to the Scheme.

VIII. Risk Control Measures:

Market Risk	The Scheme will invest in select Equity and Equity related securities in which market risk is inherent. The scheme may use derivatives to manage this risk to the extent possible.
Concentration Risk	The Scheme will try and mitigate this risk by investing in sufficiently large number of companies so as to maintain optimum diversification and keep stock-specific/sector specific concentration risk relatively low.
Currency Risk	The Scheme will not invest in overseas securities and hence there will be no exposure to foreign currencies.
Liquidity Risk	The liquidity of stocks that the fund invests into could be relatively low. The fund is Close Ended Hybrid Fund and as such daily liquidity requirements are inherently not present. The Scheme would invest in securities keeping in mind the maturity date of the scheme to

	ensure liquidity to meet redemption/maturity requirements.
Derivatives Risk	Derivatives will be used for the purpose of hedging/portfolio balancing purposes or to improve performance and manage risk efficiently. 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. All derivatives trade will be done only on the exchange with guaranteed settlement. No OTC contracts will be entered into.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme(s) and individual Plan(s) under the Scheme(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s). These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfilment with the condition of minimum 20 investors, the Scheme(s)/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfilment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days of the date of closure of the New Fund Offer.

C. Special Consideration, if any

- Neither this Scheme Information Document, Statement of Additional Information nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document or Statement of Additional Information in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, persons who come into possession of this Scheme Information Document or Statement of Additional Information are required to inform themselves about and to observe any such restrictions and/ or legal compliance requirements.
- The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this Scheme Information Document or the Statement of Additional Information or as is provided by the AMC in connection with this offering. Prospective investors are advised not to rely upon any information or representation not incorporated in the Scheme Information Document or Statement of Additional Information or provided by the AMC as having been authorized by the Mutual Fund, the AMC or the Trustee.
- Mutual Fund, their Trustee, AMC, their directors, their employees & Sponsors shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up for the reasons and in the manner provided in 'Statement of Additional Information ('SAI')'.
- Redemption due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. Mutual Fund, their Trustee, AMC, their directors, their employees & Sponsors shall not be liable for any such tax consequences that may arise due to such redemptions.
- The tax benefits described in this Scheme Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India as on the date of this Scheme Information Document and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his / her own professional tax advisor.
- Mutual funds invest in Securities which may not always be profitable and there can be no guarantee against loss resulting from investing in the Scheme.
- The Scheme's value may be impacted by fluctuations in securities markets, interest rates, prevailing political, economic and social environments, changes in government policies and other factors specific to

the issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

- The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form or who have been designated as such by the investor. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.
- The AMC is the sub-Investment Manager in respect of Can bank (Offshore) Fund. The AMC sub-advises Robeco, Hong Kong for Indian Securities pursuant to No Objection issued by SEBI vide its letter dated 29th June, 2011. The AMC is also the Portfolio Manager pursuant to Certificate of Registration INP000003740 dated 28th June, 2010granted by SEBI.
- Controls and safeguards prescribed under the Regulation for managing the other business activities of AMC as mentioned above are being adhered to and there is no conflict of interest in managing the Schemes of the Fund and the said business activities of AMC. The AMC will ensure that any potential conflicts between other business activities and the Mutual Fund will be adequately addressed by (a) compliance with the requirements under Regulation 24(b) of the SEBI (Mutual Funds) Regulations,1996 which require that the AMC cannot undertake any activity which is in conflict with the activities of the mutual fund; (b) ensuring that the fund manager(s) of each scheme of the Mutual Fund, will not play any role in the day-today operations of the other business activities, and the key investment team of the other business activities is not involved with the activities of the Mutual Fund; and (c) ensuring that there is no interest transfer of assets between the Mutual Fund and any account of the investor under Portfolio Management Services.
- Pursuant to the provisions of Prevention of Money Laundering Act, 2002, if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, on failure to provide required documentation, information, etc. by the unit holder the AMC shall have absolute discretion to report such suspicious transactions to FIU - IND and / or to freeze the folios of the investor(s), reject any application(s) / redemptions / allotment of units.

Know Your Customer ("KYC"): The need to 'Know Your Customer' is vital for the prevention of money laundering. The Trustees / AMC may seek information or obtain and retain documentation used to establish identity. It may re-verify identity and obtain any missing or additional information for this purpose.

The Trustees / AMC shall have absolute discretion to reject any application, or prevent further transactions by a Unit holder, if after due diligence, the Investor / Unit holder / a person making the payment on behalf of the Investor does not fulfill the requirements of the 'Know Your Customer' or the Trustees / AMC believes that the transaction is suspicious in nature as regards money laundering. In this behalf the Trustees / AMC reserves the right to reject any application and / or effect a mandatory Redemption of Units allotted to the Unit holder and report such transaction to FIU-IND.

If after due diligence, the Trustees / AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules / guidelines issued there under by SEBI and / or the RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules / guidelines issued there under by SEBI and / or RBI without obtaining the prior approval of the Investor / Unit holder / any other person.

D. Definitions

In this Scheme Information Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

ADRs & GDRs	ADRs are negotiable certificates issued to a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in USD. GDRs are negotiable certificates held in the bank of one country representing a specific number of shares of a stock traded on exchange of another country.
AMC Fees	Investment Management fee charged by the AMC to the Scheme.
AMFI Certified Stock Exchange Brokers	A person who is registered with AMFI as Mutual Fund Advisor and who has signed up with Canara Robeco Asset Management Company Limited and also registered with BSE & NSE as Participant.
ARN Holder/AMFI Registered Distributors	Intermediary registered with Association of Mutual Funds in India (AMFI) to carry out the business of selling and distribution of mutual fund units and having AMFI Registration Number (ARN) allotted by AMFI.
Applicable NAV	The NAV calculated for the Business Day on which Sale and Repurchase requests received by the Investment Manager or its authorized agents.
Applicant	"Applicant" means a person who applies for allotment of units of Canara Robeco Dual Advantage Fund Series 1 pursuance of this Offer Document.
Asset Management Company OR AMC OR Investment Manager	Canara Robeco Asset Management Company Ltd. (CRAMC), incorporated under the provisions of the Companies Act, 1956 or "Investment Manager" and approved by Securities and Exchange Board of India to act as the Asset Management Company for the scheme(s) of Canara Robeco Mutual Fund.
Allotment Date	The date on which the units of Canara Robeco Dual Advantage Fund Series 1 are allotted to the successful applicants from time to time and includes allotment made pursuant to the New Fund Offer.
Business Day	A day not being: (1) A Saturday or Sunday; or (2) A day on which Banks in Mumbai or the Reserve Bank of India are closed, or (3) A day on which there is no RBI clearing/settlement of securities; or (4) A day on which both the Stock Exchanges, Mumbai and the National Stock Exchange of India Limited are closed, whether or not the banks in Mumbai are open; or (5) A day on which Purchase and Redemption of Units is suspended or a book closure period is announced by the Trustee / AMC; or (6) A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time. Provided that the days when the banks in any location where the AMC's branch offices are located, are closed due to a local holiday, such days will be treated as non-Business Days at such branches for the purposes of accepting fresh subscriptions during the New Fund Offer period. Notwithstanding the above, the AMC reserves the right to change the definition of Business Day and to declare any day as a Business Day or otherwise at any or all branch offices.
Canara Bank	Canara Bank, a body corporate constituted under the provisions of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its registered office at 112, J. C. Road, Bangalore, 560002.
CBLO	Collateralized Borrowing and Lending Obligations is a Money Market Instrument, approved by RBI (developed by Clearing Corporation of India Ltd). CBLO is a

	discounted instrument issued in an electronic book entry form for maturity ranging from one day to one year.
Custodian	The custodian to Canara Robeco Dual Advantage Fund Series 1 appointed from time to time.
Depository	Depository as defined in the Depositories Act, 1996 (22 of 1996).
Depository Participant	'Depository Participant' means a person registered as such under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, Series XVIII92.
Derivative	Derivative includes (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, or underlying securities.
Direct Plan	Direct plan is a separate plan for investors who purchase/subscribe units in Schemes directly i.e. investments not routed through a distributor
Dividend	Income distributed by the Mutual Fund on the Units.
Entry Load or Sales Load	Load on Purchase of Units.
Exit Load or "Redemption Load	Load on Redemption / Repurchase of Units.
Fund	Canara Robeco Mutual Fund
Fund Manager	Person/s managing the scheme
Fund of Fund Scheme	A mutual fund scheme that invest primarily in other schemes of the same mutual fund or other mutual funds.
FPI	Foreign Portfolio Investor (Foreign Portfolio Investor(FPI) as defined under Regulation 2(1)(h) of Security Exchange Board of India (Foreign Portfolio Investors) Regulations 2014, as amended from time to time.
Gilt/Govt. Securities	Central Govt. Securities as defined in Section 2 of the Public Debt Act, 1944 (18 of 1944) and Government Securities created and issued by the State Govt. Under the said Act
Interest Rate Risk	Uncertainty of future market values and of the size future income caused by fluctuations in the general level of interest rates.
Money Market Instruments	include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities, having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, usance Bills and any other like instruments as specified by the Reserve Bank of India / SEBI, from time to time.
MIBOR	Mumbai Inter-bank Offered Rate
NAV	The term Net Asset Value (NAV) appearing in this Scheme Information Document means the NAV per unit of Canara Robeco Dual Advantage Fund Series 1
NRI	A Non-Resident Indian or a person of Indian origin residing outside India.
Official Points of Acceptance	Places, as specified by AMC from time to time where application for subscription /redemption / switch will be accepted on ongoing basis.
Overseas Corporate Bodies / OCBs	Firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons without the prior approval of the RBI
Person	The word "person" shall include a body corporate, group of individuals, trusts and other association of persons whether incorporated or not.
Person of Indian Origin	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
RBI	Reserve Bank of India, established under the Reserve Bank of India Act 1934, as amended from time to time.

Regulatory Agency	Government of India, SEBI, RBI or any other authority or agency entitled to issue or give any directions, instructions or guidelines to the Mutual Fund
Related Person(s)	A person investing on behalf of a minor in consideration of natural love and affection or as a gift.
Repo	Sale of Govt. Securities with simultaneous agreement to repurchase them at a later date.
Registrar and Transfer Agent	Karvy Computershare Private Limited (Karvy), currently acting as registrar to the Scheme, or any other registrar appointed by the AMC from time to time
Reverse Repo	Purchase of Govt. Securities with a simultaneous agreement to sell them at a later date.
ORIX Corporation Europe N.V.	ORIX Corporation Europe N. V. (formerly Robeco Groep N. V.) is established in 1929 having its Corporate Office at Weena 850, 3014 DA Rotterdam, The Netherlands is one of the Sponsors of the Fund.
Statement of Additional Information or "SAI"	The document issued by Canara Robeco Mutual Fund containing details of Canara Robeco Mutual Fund, its constitution, and certain tax, legal and general information. SAI is legally a part of the Scheme Information Document.
Scheme Information Document (SID)	This document offering units of Canara Robeco Dual Advantage Fund Series 1to applicants for subscription.
Settler	Canara Bank
Sponsors	The Sponsors of the Fund, namely Canara Bank and Robeco Groep N. V.
Statement of Account	A non-transferable statement indicating the number of units held by the investor on a particular date.
Stock Exchange	Stock Exchange means a Stock Exchange which is for the time being, recognized under the Securities Contracts (Regulation) Act,1956 (42 of 1956).
SEBI	Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
The Scheme	Scheme means Canara Robeco Dual Advantage Fund Series 1
Trustees	Trustees means Canara Bank in its Capacity as Principal Trustee and other Trustees appointed from time to time and include a Trustee Company, if incorporated and the Directors of such Trustee Company.
Trust Deed	Principal Trust Deed (Amended and Restated) dated 26th September 2007.
The Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.
Unit Capital	The aggregate face value of the units issued and outstanding (including fractional units) under Canara Robeco Dual Advantage Fund Series 1
Unit	One undivided share of a unit holder in the assets of Canara Robeco Dual Advantage Fund Series 1
Unit holder	A person holding units of the schemes of Canara Robeco Mutual Fund and includes a person who has opted to switch over his investment(s), wholly or partially, from another Scheme or Schemes of the Canara Robeco Mutual Fund to any of the equity oriented schemes mentioned in this Scheme Information Document.

Interpretation

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:

- *The terms defined in this Scheme Information Document include the plural as well as the singular.*
- *Pronouns having a masculine or feminine gender shall be deemed to include the other.*
- *All references to 'USD' refer to United States Dollars and 'Rs' refer to Indian Rupees. A 'crore' means 'ten million' and a 'lakh' means a 'hundred thousand'.*

The expressions not defined here shall carry the same meaning, assigned to them in the Scheme Information Document.

E. Due Diligence by the Asset Management Company

It is confirmed that:

a) The draft Scheme Information Document forwarded to SEBI, is in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, and the guidelines and directives issued by SEBI, from time to time.

b) all legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

c) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.

d) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and till date such registration is valid, as on date.

e) the contents of the SID including figures, data, yields, etc. have been checked and are factually correct.

f) The Board of Trustees has approved the SID on 17th August, 2017.

Date: 22th February, 2018
Place: Mumbai

Signature: Sd/-
Name: Ashutosh Vaidya
Head – Compliance & Company Secretary,
Canara Robeco Asset Management Company Ltd.

II. Information about the Scheme

A. Type of Scheme

Canara Robeco Dual Advantage Fund Series 1 is a Close Ended Hybrid Scheme.

B. What is the Investment Objective of the Scheme?

To generate income / capital appreciation from a portfolio constituted of Debt and Money Market Instruments for regular returns & Equity and Equity-related Instruments for capital appreciation. However, there is no assurance or guarantee that the investment objective of the Schemes will be achieved.

C. How will the Scheme allocate its assets?

The Asset Allocation pattern of the Scheme under normal circumstances would be as under:

Instruments	Allocation		Risk Profile
	Minimum	Maximum	
Debt Instruments and Money Market Instruments	70%	100%	Low to Medium
Equity and equity related instruments	0%	30%	Medium to High

For the purpose of this fund:

- Investment in Derivatives can be upto 40% of the Net Assets of the Scheme.
- Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money market instruments and derivatives will not exceed 100% of the net assets of the Scheme or such other limits as may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/IMD/DF/ 11/2010 dated August 18, 2010 as may be amended from time to time.
- The scheme does not intend to invest in securitised debt instruments and Repo/reverse repo in corporate debt securities.
- The scheme does not intend to invest in Foreign Securities/ securities lending and short selling.
- The scheme does not intend to invest in Credit default swaps.
- The scheme will invest in debt instruments which mature on or before the date of the maturity of the scheme.
- Pending deployment of the funds in securities pursuant to the investment objectives of the Fund, such funds may be invested in short term deposits of scheduled commercial banks as permitted under the Regulations. The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time
- Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

Portfolio Rebalancing:
The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not re-balanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

OTHER DISCLOSURES FOR CLOSE ENDED DEBT ORIENTED SCHEMES:

1. **Credit Evaluation Policy**
   From the credit evaluation perspective, each company is internally appraised by focusing on various parameters including business fundamentals, financial analysis, industry analysis, and management track record. A detailed analysis is carried out before deciding to invest. All research is carried out internally and approved as per our authorisation matrix. There is a set of Prudent Investment Norms in place, which is directed by the Board of Trustees and the Risk Management Committee of the AMC, and are complied with for all investments under debt schemes.

2. **Sectors in which the Scheme(s) shall not invest**
   The scheme(s) shall not invest in instruments issued by companies in the Real Estate, Construction and Gems & Jewelleries sectors. Depending upon the changes in the investment environment, the AMC may consider other Sectors/companies for applying such restrictions from time to time.

3. **Type of instruments which the schemes propose to invest in:** Please refer Section **'D. Where will the scheme invest'** given below for further details.

Floors and Ceiling within a range of 5% of the intended allocation (in %) against each sub asset class / credit rating: *(The scheme shall invest in various securities/instruments as mentioned below with the ratings mentioned against the type of instrument. As per SEBI circular Cir/IMD/DF/12/2011 dated August 01, 2011, the scheme is allowed to invest within a range of 5% of the intended allocation (floor and cap) against each sub asset class/credit rating.*

Intended Portfolio Allocation:

Credit Rating/ Instruments	AAA	AA	A1+	Not Applicable
CDs			0%-5%	
CPs			0%-5%	
NCDs (including Government Securities (State/Central), T Bills and Corporate Bonds)	40% - 100%	0%-50%		
Others (*CBLO, Rep)*				

Note:
1. *All investments shall be made based on rating prevalent at the time of investment.*
2. *In case of non-availability of and taking into account the risk-reward analysis of CDs and NCDs; the scheme may invest in Bank CDs having highest ratings (i.e. A1+ or equivalent) or / T-Bills / CBLO/. Such deviation may continue till suitable NCDs of desired credit quality is not available.*

3. *At the time of building the portfolio post NFO and towards the maturi*ty of the scheme, there may be a higher allocation to cash and cash equivalents.
4. Further, the above allocation may vary during the duration of the Scheme. Some of these instances are: (i) coupon inflow; (ii) the instrument is called or bought back by the issuer (iii) in anticipation of any adverse credit event etc. In case of such deviations, the Scheme may invest in Bank CDs having highest ratings (i.e. A1+ or equivalent) / CBLOs / T Bills. Deviation, if any, due to such instances, may continue till suitable NCDs of desired credit quality are not available.
5. Change in Asset Allocation: Further, in the event of any deviations below the minimum limits or beyond the maximum limits as specified in the above table and subject to the notes mentioned herein, the Fund Manager shall rebalance the portfolio within 30 days from the date of said deviation (provided such deviation is not too close to maturity of the scheme). Accordingly, investors should note that there will not be any variation between the intended portfolio allocation and the final portfolio allocation apart from the exceptions as mentioned under clauses (2), (3), (4) above.
6. The Scheme shall not invest in unrated debt instruments. For this purpose, unrated debt securities shall exclude instruments such as Government Securities, T bills, CBLO, short term deposit and such similar instruments to which rating is not applicable.

Reporting: After the closure of NFO of the scheme, the AMC will report in the next meeting of AMC/ Trustees, the publicized percentage allocation and the final portfolio.

D. Where will the scheme invest?

Subject to the Regulations, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities:

- Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, , Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted.
- Equity and equity related instruments including preference shares, convertible bonds, debentures and warrants carrying the right to obtain equity shares and derivative instruments like futures or options on equity or equity indices shares and derivative instruments like futures or options on equity or equity indices.
- Securities created and issued by the Central and State Governments and/or repos/reverse repos/in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, and Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India / SEBI, from time to time.
- Certificate of Deposit (CDs);
- Commercial Paper (CPs);
- Derivative instruments like Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI
- Any other instruments / securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations.

The Scheme shall not:

i. Invest in securitized debt;
ii. Invest in foreign securities,
iii. Engage in short selling
iv. Invest in ADRs/GDRs

At the time of building up the portfolio post NFO, there may be a higher allocation of up to 100% of the Scheme's assets to cash and/or cash equivalents, or in units of money market/liquid schemes of Mutual Fund and/or any other mutual fund in accordance with applicable regulations and subject to the applicable investment restrictions on inter scheme investments, for a temporary period of 30 days.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated and of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme.

Debt and Money Markets in India

The Indian debt market is today one of the largest in Asia and includes securities issued by the Government (Central & State Governments), public sector undertakings, other government bodies, financial institutions, banks and corporates. Government and public sector enterprises are the predominant borrowers in the markets. The major players in the Indian debt markets today are banks, financial institutions, mutual funds, insurance companies, primary dealers, trusts, pension funds and corporates. The Indian debt market is the largest segment of the Indian financial markets. The debt market comprises broadly two segments, viz. Government Securities market or G-Sec market and corporate debt market. The latter is further classified as market for PSU bonds and private sector bonds.

The Government Securities (G-Secs) market is the oldest and the largest component (70% share in market cap) of the Indian debt market in terms of market capitalization, outstanding securities and trading volumes. Over the years, there have been new products introduced by the RBI like zero coupon bonds, floating rate bonds, inflation indexed bonds, etc.

The corporate bond market, in the sense of private corporate sector raising debt through public issuance in capital market, is only an insignificant part of the Indian Debt Market. A large part of the issuance in the non-Government debt market is currently on private placement basis.

In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates.

In money market, activity levels of the Government and nongovernment debt vary from time to time. Instruments that comprise a major portion of money market activity include but not limited to:

- Overnight Call (i.e. market for overnight and term money between banks and institutions)
- Collateralised Borrowing & Lending Obligations (CBLO)
- Repo/Reverse Repo Agreement (temporary sale with an agreement to buy back the securities at a future date at a specified price)
- Treasury Bills (issued by RBI)
- Government securities with a residual maturity of < 1 year.
- Commercial Paper CPs, short term unsecured promissory notes, generally issued by corporates)
- Certificate of Deposit (CDs, issued by banks)

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as Money Market Instruments, PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The market has evolved in past 2-3 years in terms of risk premia attached to different class of issuers. Bank CDs have clearly emerged as popular asset class with increased acceptability in secondary market. PSU banks trade the tightest on the back of comfort from majority government holding. Highly rated manufacturing companies also command premium on account of limited supply. However, there has been increased activity in papers issued by private/foreign banks/NBFCs/companies in high-growth sector due to higher yields offered by them.

Even though companies across these sectors might have been rated on a same scale, the difference in the yield on the papers for similar maturities reflects the perception of their respective credit profiles.

The following table gives approximate yields prevailing as on 13th April 2018 some of the instruments: -

Instrument	Current Yield Range (%)
CBLO	4.55- 5.99
Repo	2.50-6.05
3m T-bill	6.06
1y T-bill	6.47
10y G Sec	7.43
3m PSU Bank CD	6.70-6.80
3m NBFC CP	7.10-7.20
3m Manufacturing Co. CP	6.90-.6.95
1y PSU Bank CD	7.35
1y NBFC CP	7.70-7.90
1y Manufacturing Co. CP(PSU)	7.45-7.60
5y AAA Institutional Bond (PSU Bond)	7.83-7.97
10y AAA Institutional Bond (PSU Bond)	8.10-8.20

These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro-economic conditions and RBI policy. The price and yield on various debt instruments fluctuate from time to time depending upon the macro economic situation, inflation rate, overall liquidity position, foreign exchange scenario etc. Also, the price and yield vary according to maturity profile, credit risk etc.

E. What are the investment strategies?

I. <u>Investment Focus and strategy:</u>

- Canara Robeco Dual Advantage Fund – Series 1 will be close ended hybrid scheme. The main investment strategy would be to capture the stable returns of debt and the potential of equity for capital appreciation while balancing the risks of equity with the comparative safety of debt.

- For the Debt portion, the scheme will retain the flexibility to invest in the entire range of debt and money market instruments. Investment in Debt securities and Money Market Instruments will be as per the limits in the asset allocation of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. The investments in debt instruments will be made in fixed income securities maturing on or before the maturity of the scheme. The strategy would be to buy-and-hold the securities, thereby minimizing any interest rate volatility. Therefore, the fixed income portion of the investment would be largely on an accrual basis.

- For the equity portion, to the extent the fund invests in equity shares, the focus would be to build a diversified portfolio of strong growth companies, reflecting our most attractive investment ideas, at all points of time. The fund will have the flexibility to invest in stocks across market capitalisation. The portfolios will be built utilizing a bottom-up stock selection process with a top-down overlay, focusing on appreciation potential of individual stocks from a fundamental perspective. Sector selection will be based on opportunities available in sectors and exposure will be taken to those sectors and companies that are expected to benefit from economic improvements in the coming years. The fund could have a significant tilt towards a particular theme based on the fund management team's top-down view. The investment emphasis of the scheme will be in identifying companies with strong competitive position in good business and having quality management. The AMC will follow an active investment style supported by in-house research. Essentially, the focus would be on long-term fundamentally driven values.

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

II. Risk Mitigation:

Investments made by the Scheme would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risk. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in depth analysis of the securities proposed to be invested in. Following are few identified risks and control measures to mitigate the same. However, there can be no assurance that these risks would be completely eliminated:

Type of Risks	Risk mitigation measures
Market Risk	The Scheme will invest in select Equity and Equity related securities in which market risk is inherent. The scheme may use derivatives to manage this risk to the extent possible.
Concentration Risk	The Scheme will try and mitigate this risk by investing in sufficiently large number of companies so as to maintain optimum diversification and keep stock-specific/sector specific concentration risk relatively low.
Currency Risk	The Scheme will not invest in overseas securities and hence there will be no exposure to foreign currencies.
Liquidity Risk	The liquidity of stocks that the fund invests into could be relatively low. The fund is Close Ended Hybrid Fund and as such daily liquidity requirements are inherently not present. The Scheme would invest in securities keeping in mind the maturity date of the scheme to ensure liquidity to meet redemption/maturity requirements.
Derivatives Risk	Derivatives will be used for the purpose of hedging/portfolio balancing purposes or to improve performance and manage risk efficiently. 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. All derivatives trade will be done only on the exchange with guaranteed settlement. No OTC contracts will be entered into.

III. Hedging and Derivatives:

The scheme intends to use derivatives as may be permitted under the Regulations from time to time. The same shall be within the permissible limit prescribed by SEBI (Mutual Fund) Regulations from time to time.

As a part of the fund management process, the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and in accordance with SEBI Regulations as may be applicable from time to time.

The following are the position limits for Mutual Funds and its schemes:

i.Position limit for Mutual Funds in index options contracts

a. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 250 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.

b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

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

a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 250 crore or 15% of the total open interest of the market in index futures, whichever is higher per Stock Exchange.
b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii.Additional position limit for hedging

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

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

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

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, stand in the following manner:

a. For stocks in which the market wide position limit is less than or equal to Rs. 250 crores, the Mutual Fund position limit in such stock shall be 20% of the market wide position limit.
b. For stocks in which the market wide position limit is greater than Rs.250 crores, the Mutual Fund position limit in such stock shall be Rs.50 crores.

v.Position limit for each scheme of a Mutual Fund

The position limits for each scheme of mutual fund and disclosure requirements shall be identical to that prescribed for sub account of a FII/FPI. Therefore, the scheme-wise position limit/ disclosure requirements shall be:

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

vi.Monitoring of Position Limits

a. The Mutual Fund shall notify Clearing Member/s for each scheme, through whom it would clear its derivative contracts, to the Stock Exchange.
b. The Stock Exchange would then assign a unique client code to each scheme of the Mutual Fund.
c. The Stock Exchange shall monitor the scheme-wise position limits in the manner similar to that prescribed for FIIs/FPI and their sub-accounts in SEBI circular no. SMD/DC/Cir/-11/02 dated February 12, 2002 as modified from time to time.

The Fund shall comply with the guidelines issued by SEBI and amendments thereof issued from time to time in derivative trading.

IV. Equity / Equity Related Derivative Instruments:

Index futures are meant to be an efficient way of buying / selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures can be an efficient way of achieving the Scheme's investment objective. Index futures may avoid the need for tracking in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scrips. Index futures can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares of an index and will be easy to settle compared to physical portfolio of shares representing an index.

Stock futures could also be used as an alternative to investing in particular stocks comprising an index where either the liquidity is low or the impact cost is high.

i. Basic Structure of an Index Future

Index Futures are instruments designed to give exposure to the equity market indices. The Stock Exchange, Mumbai and the National Stock Exchange of India Limited have started trading in index futures. The pricing of an index future is the function of the underlying index and short-term interest rates.

Illustration:

Spot Index: 1070
1-month Nifty Future Price on day 1: 1075
Fund buys 100 lots.
Each lot has a nominal value equivalent to 200 units of the underlying index.
Let us say that on the date of settlement, the future price = Closing spot price = 1085
Profits of the Fund = (1085-1075) * 100 lots * 200 = Rs. 200,000.
Similarly, the fund can suffer a loss if the future price is lower than the contracted price. Let us say that in the above example, on the date of settlement the future price = Closing Spot Price = 1060.
Loss for the Fund = (1060-1075) * 100 lots * 200 = (Rs. 300,000)

Please note that the above example is given for illustration purposes only.

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity) plus interest costs on funds that would otherwise be invested in stocks comprising the index. The risks associated with index futures are similar to those associated with equity investments.

Additional risks could be on account of illiquidity and/or mispricing of the future at any time during the life of the contract.

Strategy Number No. 1

Using Index Future to increase percentage investment in equities.

The strategy will be used for the purpose of generating returns on idle cash, pending its investment in equities. If so desired, the AMC would be able to take immediate exposure to equities via index futures. The position in index futures may be reversed in a phased manner, as the funds are deployed in the equity markets.

Example:

The scheme has a corpus of Rs. 50 crores and there is an inflow of Rs. 5 crores in a day. The AMC may buy index futures contracts of a value of Rs. 5 crores. Later as the money is deployed in the underlying equities, the value of the index futures contracts can be suitably reduced.

Portfolio	Event	Equity Portfolio Gain/(Loss) Rs. in Crs.	Derivative Gain/ (Loss) Rs. in Crs.	Total Portfolio Gain / (Loss) Rs. in Crs
Rs.50 Crore Equity exposure	10% rise in equity	5	NIL	5
Rs. 50 Crore exposure + Rs. 5 Crore long position index futures	10% rise in Equity Price	5	0.5	5.5
Rs.50 crore Equity exposure	10% fall in Equity price	(5)	Nil	(5)
Rs.50 crore Equity exposure + Rs 5 crore long position index futures	10% fall in equity price	(5)	(0.5)	(5.5)

RISKS:
The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not be providing gains perfectly aligned to the movement in the index.

The long position will have as much loss as a gain in the underlying index, e.g. if the index appreciates by 10%, the future value rises by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain/loss due to the movement of the underlying index. This is called the basis risk.

While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract.

Similarly, the fund can use stock futures to reduce the cost of holding in the following manner:
When stock futures are trading at a discount then the fund can buy stock in futures market instead of buying in the cash market. On expiry of the contract, both prices (spot and future) have to align. On expiry or as and when stocks start trading at a premium in the futures market the transaction can be reversed by selling the stock in futures and buying in the cash market.

Fund can take advantage of arbitrage opportunities in the futures markets to reduce cost of holding. If stock futures are trading at a discount, then the fund can sell its existing holding in cash market and buy in the futures market. The cash realised will earn interest while the overall cost of the holding stock will also come down. On expiry of contract both prices (spot and futures) have to align. On expiry or as and when the stock starts trading at a premium in the futures market, the transaction can be reversed by selling the stock in the futures and buying in the cash markets.

Strategy Number 2

Using Index Futures to decrease percentage investment in equities
Similarly, in the case of a pending outflow of funds where a negative view is taken on the market, the Fund, in order to reduce exposure in equities may 'sell the index forward' by taking a short position in Index Futures. This position can be unwound over a period of time simultaneously selling the equity shares from the investment portfolio of the Scheme. The strategy of taking a short position in the index future is a hedging strategy and reduces the market risk and volatility of the portfolio. However, if the value of the index future rises, then, the fund would be adversely affected due to its short position in index futures.

Example: Assume that a scheme has an equity exposure of Rs. 100 crores. If the Fund Manager wishes to reduce the equity exposure to Rs. 50 crores for a short time, he should sell index futures contracts of Rs. 50 crores.

Portfolio	Event	Equity Portfolio Gain/(Loss) (Rs. In crore)	Derivatives Gain/(Loss) (Rs. In crore)	Total portfolio Gain/(Loss) (Rs. In crore)
Without Hedge Rs.100 crore equity Exposure	10 % fall in equity price	(10)	NIL	(10)
With Hedge Rs.100 crore equity Exposure	10 % fall in equity prices	(10)	5	(5)
Without Hedge Rs.100 crore equity Exposure	10 % rise in equity prices	10	NIL	10
With Hedge Rs.100 crore equity Exposure	10 % rise in equity prices	10	(5)	5

50% Hedge – contract value of Rs. 50 crore
The above example demonstrates that the Fund would benefit from the hedged position if the index future moves in the direction as expected by the Fund Manager. Similarly, the Fund would be adversely affected from the hedged position if the index does not move in the direction expected by the Fund Manager.

RISKS
• The strategy of taking a short position in index futures is a hedging strategy and reduces the market risk. The short position is negatively correlated with the market. However, there is no assurance that the stocks in the portfolio and index behave in the same manner and thus this strategy may not be a perfect hedge.
• The short position will have as much loss as a gain in the underlying index. e.g. if the index appreciates by 10%, the future value falls by 10%. However, this is true only for futures contract held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain/loss due to the movement of the underlying index. This is called the basis risk.

• While futures markets are more liquid, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific future contract.

Strategy Number 3

Limiting Portfolio Loss Using Index Put
The purchase of an index put option gives the scheme the option of selling the index to the writer of the put at a predetermined level of the index, called the strike price. If the index falls below this level, the scheme benefits from the rise in the value of the put option.

Similarly, as a stock hedging strategy, the purchase of a put option on the underlying stock would give the scheme the option to sell the stock to the writer of the option at the predetermined strike price. This would lead to a capping of the loss in value of a stock.

Example: Let us assume a scheme with a corpus of Rs. 100 crores. Let us also assume an index of 100. The scheme is invested Rs. 99 crores in equities. The scheme purchases a put option on the index with a strike price of 100 for an assumed cost of Rs. 1 crore. The following table illustrates the portfolio returns:

% change in Index	Index Value	Equity Portfolio Value Rs. In crore A	Option Value Rs. In crore B	Cost of the Put Option Rs. In crore C	Portfolio Value Rs. In Crore (A+B+C)	% returns from portfolio
10	110	108.9	0	(1)	108.9	8.9
5	105	103.95	0	(1)	103.95	3.9
(5)	95	94.05	0	(1)	94.05	5.95
(10)	90	89.1	5	(1)	94.1	5.9
(15)	85	84.15	10	(1)	94.1	5.9

A similar put option can be purchased on any individual stock and the downside can be capped.

RISKS

- The table shows that the portfolio value will not fall below Rs. 94 crores, while the scheme benefits from any increase in stock prices. The table assumes perfect correlation between the equity portfolio and the index. However, this may not be the case. Therefore, the minimum portfolio value cannot be assured, but the loss is expected to be lower in a portfolio with a put option on the index, as compared to a normal portfolio.

- The put option would lead to a gain based on the difference between the strike price and the index level at expiration date, if positive. However, in case the option is reversed before the expiration date, the market price received on the sale of the option may be different from the price calculated.
- While liquidity exists in options markets, there can be no assurance that the ready liquidity would exist at all points in time, for the scheme to purchase or close out a specific options contracts.
- In the case of purchase of a stock put, the strategy is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option, which can potentially take the stock value below the minimum under the hedge.

Similarly, the Fund can use stock futures to reduce the cost of holding in the following manner:

- When stock futures are trading at a discount then the fund can buy in futures market instead of buying in the cash market. On expiry of the contract, both prices (spot and futures) have to align. On expiry or as and when stocks start trading at a premium in the futures market, the transaction can be reversed by selling the stock in futures and buying in the cash market.
- Fund can take advantage of arbitrage opportunities in the futures markets to reduce cost of holding. If stock futures are trading at a discount, then the fund can sell its existing holding in cash market and buy in futures market. The cash realised will earn interest while the overall cost of holding stock will also come down. On expiry of contract both prices (spot and futures) have to align. On expiry or as and when the stock starts trading at a premium in the futures market, the transaction can be reversed by selling the stock in the futures and buying in the cash markets.

Strategy Number 4

The scheme could gain exposure to the equity markets through exchange traded call options. The investment team will evaluate the prevailing premium levels on the call options with tenure suitable to the scheme. The scheme could in such a case implement a buy and hold (passive investment) strategy for the equity index call options held or buy a series of shorter term equity index call options, thus the options strategy may be managed actively.

Example: Let us assume a scheme with a corpus of Rs. 100 crores. Let us also assume an index of 100. The scheme is invested about Rs. 99 crores in equities. The scheme purchases a call option on the index with a strike price of 100 for an assumed cost of Rs. 1 crore. Assuming the equity portfolio rises or falls by the same percentage as the index. The following table illustrates the portfolio returns:

% change in Index	Index Value	Equity Portfolio Value Rs. In crore A	Option Value Rs. In crore B	Portfolio Value Rs. In Crore (A+B)	% returns from portfolio
10	110	108.90	10	118.90	18.90
5	105	103.95	5	108.95	8.95
0	100	99	0	99	-1
(5)	95	94.05	0	94.05	-5.95
(10)	90	89.10	0	89.10	-10.90

A similar call option can be purchased on any individual stock and the upside potential can be augmented.

The rate of participation would depend on prevailing prices of call options and the Amount Available for investment in options.

RISKS

- The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not be provide gains perfectly aligned to the movement in the index.
- If the call options expire in the money, but not enough to compensate the premium paid, the returns of the option strategy could be less than the returns of the underlying equity market on maturity.
- Further, if the options expire out of money, the scheme will face a loss to the extent of the premium paid for options. In such case even if the equity market has a positive return during the tenure of the Scheme, the Scheme may not provide positive returns in line with the market.
- Further in case of series of shorter term call options, since short dated options would be purchased at different times and at costs prevailing at the time of such purchase, the returns generated by such a strategy could be different from returns of the underlying equity market and from the returns generated from a buy and hold call options strategy

ii. Advantages of Equity Derivatives:

In times of volatility in the equity markets, derivatives provide much needed flexibility to hedge against this volatility. Some of the advantages of specific derivatives products are given below:

- Stock Index Futures can give exposure to the index. Appreciation in Index Investment in Stock Index Futures can give exposure to the index without directly buying the individual stocks, which make up the index. Appreciation in Index stocks can be effectively captured through investment in Stock Index Futures.
- The Scheme can sell futures to hedge against market movements without actually selling the underlying stocks it holds.
- By buying call options on the index, one can participate in the rise in the market, without actually buying individual stocks.
- By buying put options on the index, the Scheme can insulate the portfolio (assuming a perfect co-relation between portfolio and index which may not be the case) from the downside risk at a small cost.

V. <u>Debt / Debt Related Derivatives</u>

The Scheme may use derivatives in accordance with SEBI Regulations. RBI has issued guidelines on Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA) on July 7, 1999. These products were introduced for developing the nation's Debt Market.

i. **Interest Rates Swaps (IRS)**

All swaps are financial contracts, which involve exchange (swap) of a set of payments receivable by one party for another set of payments receivable by another party, usually through an intermediary. An IRS can be defined as a contract between two parties (Counter Parties) to exchange, on particular dates in the future, one series of cash flows (fixed interest) for another series of cash flows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cash flows need not occur on the same date.

ii. **Forward Rate Agreements (FRA)**

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period.

In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the Reference rate and hence are single settlement contracts. As in the case of IRS, notional amounts are not exchanged.

The Scheme will use derivative instruments for the purpose of hedging and portfolio balancing. Hedging does not mean maximisation of returns but only reduction of systematic or market risk inherent in the investment.

iii. **Basic Structure of an Interest Rate Swap**

An interest rate swap is an agreement between two parties to exchange future payment streams based on a notional amount. Only the interest on the notional amount is swapped, and principal amount is never exchanged.
In a typical interest rate swap, one party agrees to pay a fixed rate over the term of the agreement and to receive a variable or floating rate of interest. The counterparty receives a stream of fixed rate payments at regular intervals as described in the agreement and pays the floating rate of interest.

Illustration:

Fixed interest rate: 10% p.a.
Variable Interest Rate: Over-Night MIBOR (variable)
Notional Principal: Rs.10 crore
Period of Agreement: 1 year
Interest Frequency: Semi-annual

Suppose six-month period from the value date of swap to the first payment date is 182 days and the daily compounded over-night MIBOR is say 8% p.a. on that date, the interest streams are as follows:

Fixed Rate Payment:
Rs.10,00,00,000.00 x 182 x 10 / 365 x 100 = Rs.49,86,301.36

Variable Rate:
Rs.10,00,00,000.00 x 182 x 8 / 365 x 100 = Rs.39,89,041.09

In the above example, the fixed rate payer will pay the variable rate payer a net amount of Rs.9,97,260.27 (Rs.49,86,301.36 - 39,89,041.09).

Likewise, the second and final payment will depend upon the variable NSE MIBOR for the remaining 183 days and the interest stream of fixed rate for the said period, the difference of which, will be settled between the parties at the expiry of the contract.

The above example illustrates the benefits and risks of using derivatives for hedging and optimising the investment portfolio. Swaps have its own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

VI. Valuation of Derivative Products

The traded derivatives shall be valued at the closing price provided by the respective stock exchanges.
The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.

i. Exposure to Derivatives

Losses may arise as a result of using derivatives, but these are likely to be compensated by the gains on the underlying cash instruments held by the Scheme.

ii. Risk associated with Derivatives trading:

The risk associated with index futures is similar to the one with equity investments. Additional risks could be on account of illiquidity and hence mispricing of the futures at the time of purchase. As and when the Scheme trades in the derivatives markets, there are risk factors and issues concerning the use of derivatives. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks. The use of a derivative requires understanding of the underlying instrument as well as that of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess risk that a derivative adds to the portfolio and the ability to forecast price movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks associated with trading in derivatives include the risks of mispricing or improper valuation of derivatives and inability of derivatives to correlate perfectly with underlying assets, indices.

The net impact for the Scheme will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, profit or loss for the Scheme will be the difference between the closing price (which can be higher or lower than the purchase price) and the purchase price.

The Scheme will comply with provisions specified in Circular dated August 18, 2010 related to overall exposure limits applicable for derivative transactions as stated below:

a. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
b. Mutual Funds shall not write options or purchase instruments with embedded written options.
c. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
d. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
e. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following
    i. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.

ii. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
iii. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
iv. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

f. Mutual Funds may enter into interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
g. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point

Risk Control Mechanism
Since investing requires disciplined risk management, in order to protect the interests of investors, the AMC would incorporate adequate safeguards for controlling risks in the portfolio. As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Where required, scheme specific guidelines are also in place.

Debt Securities
Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, ICRA, CARE etc. as well as the internal norms for credit exposure

Equity and Equity Related Instruments
Investments made by the schemes would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Procedure followed for investment decisions:

The Fund Manager of the Scheme is responsible for making buy / sell decisions for the Scheme's portfolio and seeks to develop a well-diversified portfolio taking into account the asset allocation patterns of various schemes along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.

The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head – Fixed Income, Head of Risk Management, Head of Equities that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook.

The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings, as well as additional ad-hoc meetings as needed, to explore the investment thesis.

It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objective of the Scheme and in the interest of the Unit holders of the Scheme. The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.

Portfolio Turnover:
The Scheme being a close ended Hybrid scheme will primarily follow a passive investment strategy for the fixed income portion. While the portfolio is intended to be largely bought and hold, the portfolio turnover will depend upon the circumstances prevalent during the tenure of the portfolio. However, the equity portion of the Scheme may be actively managed. Therefore, it is anticipated that the overall portfolio turnover would be comparatively lower than an open ended scheme. However, the Scheme does not have a target for portfolio turnover. The portfolio turnover will be mainly for maximising the gains and minimising risks keeping in mind the cost associated with it. However, it is difficult to estimate with reasonable measure and accuracy, the likely turnover in the portfolio of the Scheme.

F. Fundamental attributes

The Fundamental attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

I. <u>Type of a scheme</u>
Canara Robeco Dual Advantage Fund Series 1 is a Close Ended Hybrid Scheme.

II. <u>What is the investment objective of the scheme ?</u>
To generate income / capital appreciation from a portfolio constituted of Debt and Money Market Instruments for regular returns & Equity and Equity-related Instruments for capital appreciation. However, there is no assurance or guarantee that the investment objective of the Schemes will be achieved.

III. <u>Investment Pattern:</u>
The Asset Allocation pattern of the Scheme under normal circumstances would be as under:

Instruments	Allocation		Risk Profile
	Minimum	Maximum	
Debt Instruments and Money Market Instruments	70%	100%	Low to Medium
Equity and equity related instruments	0%	30%	Medium to High

For the purpose of this fund:

- Investment in Derivatives can be upto 40% of the Net Assets of the Scheme.
- Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money market instruments and derivatives will not exceed 100% of the net assets of the Scheme or such other limits as may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/IMD/DF/ 11/2010 dated August 18, 2010 as may be amended from time to time.
- The scheme does not intend to invest in securitised debt instruments and Repo/reverse repo in corporate debt securities.
- The scheme does not intend to invest in Foreign Securities/ securities lending and short selling.
- The scheme does not intend to invest in Credit default swaps
- The scheme will invest in debt instruments which mature on or before the date of the maturity of the scheme.
- Pending deployment of the funds in securities pursuant to the investment objectives of the Fund, such funds may be invested in short term deposits of scheduled commercial banks as permitted under the Regulations. The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time
- Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may

also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

IV. Terms of Issue

Listing/Redemption/Repurchase of Units:

Listing:
The scheme being offered through this Scheme Information Document is a close ended Hybrid Scheme and the units offered under the Scheme will be listed on one or more recognized stock exchanges as may be decided by AMC within 5 business days from the date of allotment. As the units will be listed on stock exchanges, investors/ unitholders can buy / sell units on a continuous basis on the stock exchanges during the trading hours like any other publicly traded stock at market prices. The minimum number of Units that can be bought or sold on the Exchange is 1 (one) unit. Unitholders who wish to trade in units would be required to have a DEMAT account. All investors may buy/sell Units on the Stock Exchange on all the trading days as per the settlement cycle of the Stock Exchange.

As per SEBI Circular no. CIR/MD/DF/10/2010 dated 28th August, 2010, in order to facilitate transferability of units held in one DEMAT account to another DEMAT account; units of the scheme held in DEMAT form shall be freely transferable.

Although Units are to be listed on Stock Exchange, there can be no assurance that an active secondary market will develop or be maintained. The AMC and the Trustees will not be liable for delay in trading of Units on Stock Exchange due to the occurrence of any event beyond their control.
As per SEBI circular SEBI/IMD/CIR No. 12/147132/08 dated December 11, 2008 Trustees have obtained in-principle approval for listing of schemes from National Stock Exchange of India Ltd.

Redemption/Repurchase of units:
No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchanges. Unit Holders who do not opt for allotment of units in electronic from or where the units are not credited to the beneficiary account(s) can DEMATerialize their holdings and then exit the scheme by selling their units through the stock exchange. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days from the date of maturity, subject to availability of all relevant documents and details.

V. Aggregate fees and expenses

i. New Fund Offer (NFO) Expenses
These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. These expenses will be borne by the AMC.

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

The AMC has estimated that the following percentage of the daily average net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund www.canararobeco.com. Any expenses beyond the limits shall be borne by the AMC

Expense Head	% of Net Assets*
Investment Management and Advisory Fees	Upto 2.25%**
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
GST on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	**Upto 2.25%**
Additional expenses for gross new inflows from specified cities	Upto 0.30%

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

*** Excluding GST*

At least 5% of the TER is charged towards distribution expenses / commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses / commission (at least 5 %) which is charged in the Regular Plan.

iii. Fungibility of expenses:

The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations are fungible in nature. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively.

The purpose of the above table is to assist the Investor in understanding the various costs and expenses that an Investor in the Scheme will bear directly or indirectly. The figures in the table above are estimates. The actual expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI (MF) Regulations.

As per the Regulation 52, the investment management fee and total annual scheme recurring expenses chargeable to the Scheme are as under:

- On the first Rs.100 Crore of the daily net assets - 2.25%
- On the next Rs.300 Crore of the daily net assets - 2.00%
- On the next Rs.300 Crore of the daily net assets – 1.75%
- On the balance of the assets – 1.50%

(a) **Additional Expenses under Regulation 52 (6A):** brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions;

In accordance with SEBI circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, any payment towards brokerage and transaction cost, over and above the said 0.12% and 0.05% for cash market transactions and derivatives transactions respectively, may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 (6) of the SEBI (MF) Regulations, 1996.

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

(i) 30 per cent of gross new inflows in the scheme, or;

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

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

The said additional expenses on account of inflows from beyond top 30 cities so charged shall be clawed back in the respective schemes, in case the said inflow is redeemed within a period of 1 year from the date of investment. The expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities

The mutual fund would update the current expense ratios on the website at least three working days prior to the effective date of the change.

An illustration:

Assuming, an investor has invested Rs.10, 000/- in the scheme having total expense ratio of 2.25%. The scheme generated a CAGR return of 7% over one year. Therefore,
Investment Amount (Rs.) (A) = 10,000
Scheme Return (1Year) in CAGR (%) (B) = 7%
Return in One Year (Rs.) (C= (A)*(1+B)^1) = 700
Total Expense Ratio (%) (D) = 2.25%
Impact of Total Expense Ratio (Rs.) (E=A*D) = 225
Total Return to the investor (Rs.) (F=C-E) =475

As mentioned in the illustration above, the schemes return to the investor is impacted by 2.25% due to the expense charged.

Please note that the above is an approximate illustration of the impact of expense ratio on the returns, where the Gross NAV has been simply reduced to the extent of the expenses. In reality, the actual impact would vary depending on the path of returns over the period of consideration. Expenses will be charged on daily net assets. These estimates have been made in good faith as per the information available to the Investment Manager based on past experience but the total expenses shall not exceed the limits permitted by SEBI. Types of expenses charged shall be as per the SEBI (MF) Regulations.

The purpose of the above illustration is to assist the investor in understanding the various costs and expenses that an investor in the scheme will bear directly or indirectly.

Goods and Service Tax (GST):

GST shall be charged as follows:

- GST on investment and advisory fees shall be charged to the Scheme in addition to the maximum limit on TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- GST on other than investment and advisory fees, if any, shall be borne by the Scheme within the maximum limit on TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- 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.
- Note: Government of India has implemented the Goods & Services Tax (GST) with effect from July 1, 2017.

iv. Investor Education and Awareness initiatives

As per the SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall annually set apart at least2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Scheme within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken by the Fund.

The total expenses of the Scheme including the Investment Management and Advisory Fee shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations. Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC or by the Trustee or the Sponsor.

The current expense ratios will be updated on the Mutual Fund website on www.canararobeco.com within two working days mentioning the effective date of the change.

v. Any safety net or guarantee provided:

The Scheme does not provide any safety net or guarantee nor does it provide any assurance regarding the realization of the investment objective of the scheme or in respect of declaration of dividend.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unit Holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load

G. How will the scheme benchmark its performance?

CRISIL Hybrid 85+15-Conservative Index

As approved by the Board of Trustees, the above mentioned Benchmark is selected for the Fund. However, the Trustees reserve the right to change the benchmark if due to a change in market conditions, a different index appears to be providing a more appropriate basis for comparison of fund performance or if the indicated benchmark ceases to exist or undergoes a substantial change that renders it an ineffective base for performance comparison and analysis. Any change in the Benchmark Index for the Scheme would be actuated only post approval from Board of Trustees

H. Who manages the scheme?

Ms. Cheenu Gupta and Ms. Suman Prasad are the Fund Managers for the Scheme. The details of Fund Managers are as follows:

Name	Age (in yrs)	Qualifications	Experience	Other Schemes Managed
Ms Cheenu Gupta	37	CFA Charter holder (USA), PGDBM (Finance) and B.E. (I.T)	12 years	• Canara Robeco Equity Tax Saver Fund
Ms. Suman Prasad	44	PGDMS (Finance)	20 years	• Canara Robeco Short Duration Fund@ • Canara Robeco Savings Fund# • Canara Robeco Ultra Short Term Fund# • Canara Robeco Liquid Fund# • Canara Robeco Capital Protection Oriented Fund - Series 5@ • Canara Robeco Capital Protection Oriented Fund - Series 6@ • Canara Robeco Capital Protection Oriented Fund - Series 7@ • Canara Robeco Capital Protection Oriented Fund - Series 8@@ • Canara Robeco Capital Protection Oriented Fund - Series 9@@

Jointly with Mr. Girish Hisaria
@ Jointly with Mr. Ravi Gopalakrishnan
@@ Jointly with Mr. Shridatta Bhandwaldar

I. What are the investment restrictions?

Pursuant to the "SEBI Regulations", the following investment and other limitations are presently applicable to the Scheme, as the case maybe:

1. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities provided that a mutual fund may engage in short selling of securities in accordance with the frame work relating to short selling and securities lending and borrowing specified by the board. Provided further that the mutual fund may enter into derivatives transactions in a recognised stock exchange, in accordance with the guidelines issued by the Board. Provided further that the sale of government securities already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard. However, the scheme does not intend to invest in Foreign Securities/ securities lending and short selling.

2. The securities purchased by the Fund shall be got transferred in the name of the Mutual Fund on account of the concerned Scheme, wherever investments are intended to be of long term nature.

3. The scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company:

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations:

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board:

Provided further that the schemes already in existence shall within an appropriate time and in the manner, as may be specified by the Board, conform to such limits.

4. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form

5. The Scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of NAV of the Scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of Asset Management Company.

6. The Mutual Fund under all its Scheme(s) will not own more than ten percent of any Company's paid up capital carrying voting rights.

7. The Scheme shall not advance any loan for any purpose.

8. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, the Mutual Fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board. The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:
   - "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
   - Such short-term deposits shall be held in the name of the Scheme.
   - The Scheme(s) shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
   - Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
   - The Scheme(s) shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

9. No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company

10. The scheme shall not invest more than 10% of its NAV in the unlisted equity shares or equity related instruments.

11. Investment in other Schemes : The investment by the Scheme(s) in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which :
    - The Scheme/s may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.
    - The Scheme/s shall not make any investment in any fund of fund scheme

12. The Scheme/s shall not make any investment in:
    - Any unlisted security of an associate or group company of the sponsor; or
    - Any security issued by way of private placement by an associate or group company of the sponsor; or
    - The listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

13. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of redemption of units or payment of interest and dividend to the unit holders, provided that the fund shall not borrow more than 20% of the net assets of the individual scheme and the duration of the borrowing shall not exceed a period of 6 months.

14. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if, -

    - Such transfers are done at the prevailing market price for quoted instruments on spot basis. [Explanation - "spot basis" shall have same meaning as specified by stock exchange for spot transactions.]
    - The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

15. The cumulative gross exposure through equity/equity related instruments, debt and derivative position shall not exceed 100% of the net assets of the scheme/s and the total exposure to option premium paid shall not exceed 20% of the net assets of the Scheme/s. Other provisions as contained in SEBI circular no CIR/MFD/DF/11/2010 dated 18th August 2010 shall also be complied with.

16. Total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills, short term deposits of Scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 25% of the net assets of the scheme;

    Provided that an additional exposure to financial services sector (over and above the limit of 25%) not exceeding 15% of the net assets of the scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs);

    Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of the scheme.

17. The Fund shall ensure that total exposure of debt schemes of mutual funds in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustees (for this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates).

All investment restrictions stated above shall be applicable at the time of making investment.

Apart from the Investment Restrictions prescribed under the Regulations, internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.

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

The Trustees of the Mutual Fund may alter these limitations / objectives from time to time to the extent the SEBI Regulations change so as to permit the Scheme/s to make its investments in the full spectrum of permitted investments for the mutual fund in order to achieve its investment objectives. All investments of the Scheme will be made in accordance with the SEBI Regulations, including Seventh Schedule thereof.

AMC's investments in the Scheme

The AMC may invest in the scheme, such amount, as they deem appropriate. But the AMC shall not be entitled to charge any management fees on this investment in the scheme. Investments by the AMC will be in accordance with Regulation 24(3) of the SEBI (MF) Regulations, 1996 which states that:
"The asset management company shall not invest in any of its schemes unless full disclosure of its intention to invest has been made in the offer document, provided that the asset management company shall not be entitled to charge any fees on its investment in the scheme."

Underwriting by the Scheme
The scheme will not accept underwriting and sub underwriting obligations.

Policy for Inter-Scheme Transfers
The Scheme may purchase / sell securities under the Scheme through the mode of Inter-Scheme Transfers, if such a security is under the buy / sell list of this Scheme and is on the sell / buy list of another Scheme under the Fund. Under such circumstances, the transactions will be effected based on the prevailing market price on spot basis and in conformity with Regulations. The valuation of untraded / unquoted securities and debt instruments shall be done in accordance with the general valuation policies of the Fund.

J. How has the scheme performed?
This scheme is a new scheme and does not have any performance track record.

III. Units and Offer

This section provides details you need to know for investing in the scheme.

A. New Fund Offer (NFO)

New Fund Offer Period	NFO opens on: 18th May, 2018 NFO closes on: 1st June, 2018 *(The Trustee reserves the right to extend the closing date, subject to the condition that the New Fund Offer shall not be kept open for more than 15 days. Any such extension shall be announced by way of a notice in one national newspaper).*
New Fund Offer Price This is the price per unit that the investors have to pay to invest during the NFO.	**Face Value of Rs. 10.00 per unit.**
Minimum Amount for Application in the NFO	**Minimum amount: Rs. 5,000.00 and multiples of Rs.10.00 thereafter.** In case of investors opting to switch into the Scheme from the existing scheme(s) of Canara Robeco Mutual Fund (subject to completion of Lock-in Period, if any) during the NFO Period, the minimum amount is Rs. 5,000/- per application and in multiples of Rs. 10/- thereafter
Minimum Target amount	**Rs. 20.00 Crore (Rs. Twenty Crores)** This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 business days from the date of closure of NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry 5 business days from the date of closure of the subscription period.
Maximum Amount to be raised (if any) This is the maximum amount which can be collected during the NFO period, as decided by the AMC.	There is no Maximum Amount.
Plan/Options	**Regular Plan** - Growth, Dividend (Payout) **Direct Plan** - Growth, Dividend (Payout) **Default Option:** In case of valid applications received without indicating any choice of options, it will be considered as option for Growth Option and processed accordingly. **Regular Plan:** Regular Plan is for investors who purchase /subscribe Units in the scheme through a Distributor. **Direct Plan**: Direct Plan is only for investors who purchase /subscribe Units in the Scheme directly with Canara Robeco Mutual Fund and is not available for investors who route their investments through a Distributor (AMFI registered distributor / ARN Holder).

	The Direct Plan shall have a lower expense ratio as compared to the Regular Plan to the extent of distribution expenses, commission, etc. and no commission for distribution of Units will be paid / charged under the Direct Plan. Canara Robeco Mutual Fund shall have separate "Application Forms" for investors subscribing under Regular Plan & Direct Plan. Investors applying under Direct Plan can also fill the Regular Plan form, but should clearly indicate "Direct" in the ARN column of the application form. In case of valid applications received the default plan will be captured based on below table

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*	*Direct Plan*
3	*Not mentioned*	*Regular*	*Direct Plan*
4	*Mentioned*	*Direct*	*Direct Plan*
5	*Direct*	*Not Mentioned*	*Direct Plan*
6	*Direct*	*Regular*	*Direct Plan*
7	*Mentioned*	*Regular*	*Regular Plan*
8	*Mentioned*	*Not Mentioned*	*Regular Plan*

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

Growth Option
Under this option, no dividends will be declared. The income attributable to units under this option will continue to remain invested and will be reflected in the NAV of the units under this option.

Dividend Payout Option
Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unit holders whose names appear in the Register of Unit holders on the notified record date. The Trustee / AMC reserves the rights to change the record date from time to time. However, it must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI (MF) Regulations. The decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to

	the rate of dividend distribution nor will that dividends be paid regularly. In order to be a Unit holder, an investor has to be allotted Unit against receipt of clear funds by the Scheme. On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.
Dividend Policy	The Scheme may distribute, surplus if any, by way of dividend, as may be decided by the Trustees from time to time. If there is no distributable surplus or surplus amount is too small for distribution, in the opinion of the Trustees, the Dividend declaration may not take place. The Scheme is not assuring or guaranteeing any dividend or returns. Income Distribution, if declared, warrants will be issued within 30 days from the date of declaration of Income Distribution. The Income Distribution will be paid out of the Net surplus of the Scheme, to those unit holders whose names appear in the register of unit holders on the date to be notified for the purpose. Pursuant to payment of dividend, the NAV of the dividend option of the scheme would fall to the extent of payout and statutory levy (if applicable). If AMC fails to pay the amount within 30 days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 30 days till the date of dispatch of the dividend. **Dividend Distribution Procedure** In accordance with SEBI Circular no. SEBI/ IMD/ Cir No. 1/ 64057/06 dated April 4, 2006, the procedure for Dividend Distribution would be as under: 1. Quantum of dividend and the record date will be fixed by the Trustee. Dividend so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the dividend including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of unit holders for receiving dividends. The Record Date will be 5 calendar days from the issue of notice. 4. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). 5. The NAV will be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date. 6. Before the issue of such notice, no communication indicating the probable date of dividend declaration in any manner whatsoever will be issued by Mutual Fund.
Allotment	Subject to the receipt of the specified minimum subscription amount, full allotment of Units applied for will be made within 5 business days from the date of closure of the NFO Period for all valid applications received during the NFO Period. Allotments made will be subject to realization of payment instrument and subject to the AMC having been reasonably satisfied of having received clear funds. Also, note that the allotment of units will not be made in decimals/fractions. The units will be converted to the nearest whole number at the time of allotment of units for NFO applicants to be in

adherence to the tradable lot of one unit on the Stock Exchange. The balance amount represented by fractional units will be refunded to the investor.

Allotment Confirmation / Consolidated Account Statement (CAS):
As per the provisions of Regulation 36(4) of SEBI (Mutual Funds) Act 1996, The asset management company shall ensure that consolidated account statement for each calendar month is issued, on or before tenth day of succeeding month, detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folios transaction has taken place during that month:

Provided that the asset management company shall ensure that a consolidated account statement every half yearly (September/ March) is issued, on or before tenth day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period:

Provided further that the asset management company shall identify common investor across fund houses by their permanent account number for the purposes of sending consolidated account statement.

AMC shall send allotment confirmation specifying the number of units allotted to the investor by way of email and/or SMS's to the investors' registered email address and/or mobile number not later than 5 (five) business days from the date of closure of the New Fund Offer Period. A Consolidated Account Statement (CAS) shall also be sent to the unitholder in whose folio transactions have taken place during that month, on or before 10th of the succeeding month by e-mail/mail. In case of specific request received from investors, Mutual Fund will provide an account statement to the investors within 5 (five) Business Days from the receipt of such request.

Further, SEBI vide its circular ref. no.CIR/MRD/DP/31/2014 dated November 12, 2014, in order to enable a single consolidated view of all the investments of an investor in Mutual Fund and securities held in DEMAT form with Depositories, has required Depositories to generate and dispatch a single consolidated account statement for investors having mutual fund investments and holding DEMAT accounts. In view of the said requirements the account statements for transactions in units of the Fund by investors on or after February 1, 2015 will be dispatched to investors in following manner:

I. Investors who do not hold DEMAT Account

Consolidated account statement*, based on PAN of the holders, shall be sent by AMC/ RTA to investors not holding DEMAT account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month. Consolidated account statement shall be sent by AMC/RTA every half yearly (September/ March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios there have been no transactions during that period.

*Consolidated account statement sent by AMC/RTA is a statement containing

	details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month. II. Investors who hold DEMAT Account Consolidated account statement**, based on PAN of the holders, shall be sent by Depositories to investors holding DEMAT account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month. Consolidated account statement shall be sent by Depositories every half yearly (September/March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios and DEMAT accounts there have been no transactions during that period. In case of DEMAT accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send account statement in terms of regulations applicable to the depositories. **Consolidated account statement sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and transaction in Dematerialised securities across DEMAT accounts of the investors and holding at the end of the month. Following provisions shall be applicable to CAS sent through AMC/ RTA and CAS sent through depositories: a. Investors are requested to note that for folios which are not included in the CAS, AMC shall henceforth issue monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be sent on or before tenth day of succeeding month. Such statements shall be sent in physical form if no email id is provided in the folio. b. The statement sent within the time frame mentioned above is provisional and is subject to realisation of payment instrument and/or verification of documents, including the application form, by the RTA/AMC. c. In the event the folio/ DEMAT account has more than one registered holder, the first named Unit holder/Account holder shall receive the CAS (AMC/RTA or Depository). For the purpose of CAS (AMC/RTA or Depository), common investors across mutual funds/depositories shall be identified on the basis of PAN. Consolidation shall be based on the common sequence/order of investors in various folios/ DEMAT accounts across mutual funds / DEMAT accounts across depository participants. d. Investors whose folio(s)/ DEMAT account(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their

	folio(s)/ DEMAT account(s) are updated with PAN. e. For Unit Holders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail. f. The Unit Holder may request for a physical account statement by writing to/calling the AMC/RTA. In case of a specific request received from the unit holders, the AMC/RTA shall provide the account statement to the unit holders within 5 business days from the receipt of such request. g. Account Statements shall not be construed as proof of title and are only computer printed statements indicating the details of transactions under the Schemes during the current financial year and giving the closing balance of Units for the information of the Unit Holder. h. Non-transferable Unit Certificates will be sent, if an applicant so desires, within 5 Business Days of the receipt of a request for the certificate. Unit Certificates will not be issued for any fractional Units entitlement. i. Units held, either in the form of Account Statement or Unit Certificates, are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to SEBI (MF) Regulations issued from time to time. **Unit Certificates:** Normally no unit certificates will be issued under the Scheme. However, if the unitholder so desires, the AMC shall issue a unit certificate to the unitholder within 30 days of the receipt of request for the certificate. The cost of stamp duty paid for issuing the unit certificate will form part of the annual ongoing expenses and/or may be recovered from the Unitholder. However, such unit certificates are not tradable with the Stock Exchange. **Dematerialization / Rematerialization of Units:** The Applicants intending to hold the Units in Dematerialized mode will be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units during the NFO of the scheme. The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. The statement of holding of the beneficiary account holder for units held in DEMAT will be sent by the respective DPs periodically. It may be noted that trading and settlement in the Units of the scheme over the stock exchange(s) (where the Units are listed) will be permitted only in electronic form. If the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in Account Statement (non DEMAT) form into DEMAT (electronic) form or vice versa should be submitted along with a DEMAT/REMAT Request Form to their Depository Participants. However, the Trustee / AMC reserves the right to change the Dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL

	and/or in accordance with the provisions laid under the Depositories Act, 1996. **Default Option:** In case of valid applications received without indicating any choice of options, it will be considered as option for Growth Option and processed accordingly. In case of incorrect furnishing of DP account details, the AMC shall issue Statement of Account specifying the units allotted to investor within 5 business days from the closure of the NFO.
Refund	If application is rejected, full amount will be refunded within 5 business days from the closure of NFO. If refunded later than 5 business days from the closure of NFO, interest @ 15% p.a. for delay period will be paid and charged to the AMC. In the event of Applications not being complete in all respects and the consequent non allotment, the Scheme will refund the Application Money to the applicant(s), by Post and by way of Cheque or Demand Draft marked `A/c Payee'. All refund cheques will be mailed by registered post or as permitted by applicable regulations at the risk of the applicants.
Who can invest This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.	The following persons are eligible and may apply for subscription to the Units of the Scheme (subject to, wherever relevant, purchase of Units of mutual funds being permitted under relevant statutory regulations and their respective constitutions): • Adult Individual(s) and also minor(s) through their parent/guardian. (Application of minors jointly with adults not allowed). • Adult Individual(s) jointly not exceeding three, on first holder or survivor/s basis. • Hindu Undivided Family (HUF) • Partnership Firms • A Company as defined in the Companies Act, 1956, Public Sector Undertakings. • A Body Corporate established by or under any law in force in India • A Co-operative Society registered under any law relating to Co-operative Societies in India • A Religious or Charitable Trust / Wakfs or a Society established under the relevant laws and authorised to invest in Mutual Fund Schemes • Foreign Portfolio Investor (Foreign Portfolio Investor(FPI) as defined under Regulation 2(1)(h) of Security Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. • Banks and Financial Institutions • Pension Funds/Pension Fund Managers • Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) on repatriation / non-repatriation basis • Army, Air Force, Navy and other para-military units and bodies created by such institutions. Scientific and Industrial Research Organisations • Multilateral Funding Agencies / Body Corporates incorporated outside India with the permission of Government of India / Reserve Bank of India • Other Schemes of the Fund subject to the conditions and limits prescribed under SEBI Regulations • Any other category of investors that may be permitted by the Trustees as per the Indian Laws in future.

	• NRIs and PIOs Notes: 1. Non Resident Indians (NRIs) and Persons of Indian origin (PIOs) residing abroad /Overseas Citizens of India (OCI))/ Foreign Portfolio Investors (FPIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations. 2. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories / officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. The Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact. 3. Investors desiring to invest / transact in mutual fund schemes are required to comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address such as copy of the Memorandum and Articles of Association / bye-laws/trust deed/partnership deed/ Certificate of Registration along with the proof of authorization to invest, as applicable to the KYC Registration Agency (KRA) registered with SEBI. The Fund / AMC / Trustees / other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/ authorised by the Constitution document/ their Board of Directors etc. to make the investment / transact. Further, the Investor shall be liable to indemnify the Fund / AMC / Trustee / other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and / or the applicant who has applied on behalf of the Investors. The Fund / AMC / Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. 4. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. 5. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme. 6. No request for withdrawal of application will be allowed after the closure

	of New Fund Offer Period. 7. Subject to the SEBI (MF) Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. The Trustee may inter-alia reject any application for the purchase of Units if the application is invalid or incomplete or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unitholders to accept such an application.
Who cannot invest	• Pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds. • NRIs and foreign nationals residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time. • NRIs and PIOs who are residents of the United States of America/defined as United States Persons under applicable laws/ statutes and the residents of Canada and USA • Such other persons as may be specified by AMC from time to time.
Where can you submit the filled up applications.	During the NFO period the applications filled up and duly signed by the applicants should be submitted at the office of the Collection Centres / Investor Service Centers / Official Points of Acceptance, whose names and addresses are mentioned on last page of the SID. **ASBA:** In addition to the above all applicants can participate in the NFO through the ASBA process. For using ASBA facility investors should approach self-certified syndicate banks (SCSBs) providing ASBA facility and submit ASBA application to them. The NFO application money will be blocked from the respective bank account of the investor and will be debited only on allotment of units in his/her name. ASBA applications can be submitted only at Self Certified Syndicate Bank (SCSB) at their designated branches. List of SCSBs and their designated branches shall be displayed on the SEBI's website (www.sebi.gov.in).For using ASBA facility investors should approach Self Certified Syndicate Banks (SCSBs) providing ASBA facility and submit the ASBA application form authorizing blocking of funds from the bank account specified in the ASBA Application Form. Investors applying through the ASBA facility should carefully read the applicable provisions before making their application. For further details on ASBA facility, investors are requested to refer to Statement of Additional Information(SAI)
How to apply	Please Refer the SAI and Application Form for the instructions **Please note that it is mandatory for Unit holders to:** 1. Mention their bank account numbers in their application for purchase of units and redemption requests. 2. Mention their Permanent Account Number (PAN) in their application
Listing	The units of the Scheme will be listed on NSE within 5 Business Days from the date of allotment. Units of the Scheme may also be listed on such other stock exchange(s) as may be decided from time to time. The trading will be as per the normal settlement cycle.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so through stock exchange mode. Unitholders' right to freely retain or dispose of units depend on the operations and trading activities of the Stock Exchange(s). The trading

	activities on the stock exchanges and / or the redemption of units on maturity may be restricted / affected in the following circumstances: 1. When one or more stock exchanges or markets, are closed otherwise than for ordinary holidays. 2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders. 3. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated. 4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme. 5. In case of natural calamities, strikes, riots and bandhs. 6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC. 7. During the period of Book Closure. 8. If so directed by SEBI. Further, trading on stock exchanges may be halted (temporarily or indefinitely) because of market conditions or for reasons, that in view of the Exchange authorities or SEBI, trading in units of the scheme is not advisable.
Special Products / facilities available during the NFO	**Inter-Scheme Switching Option** The Mutual Fund provides the investors the flexibility to switch their investments (subject to provisions as regards minimum application amount referred above) from any other open ended scheme(s) / plan (s) or close ended scheme offered by the Mutual Fund to this scheme during the New Fund Offer period. This Option will be useful to Unit holders who wish to alter the allocation of their investment among the open ended scheme(s) / plan(s) of the Mutual Fund (subject to completion of lock-in period, if any, of the units of the scheme(s) from where the units are being switched) in order to meet their changed investment needs. The Switch will be effected by way of a Redemption of Units from the Scheme / Plan and a reinvestment of the Redemption proceeds in an open-ended scheme / plan and accordingly, to be effective, the Switch must comply with the Redemption rules of the Scheme and the issue rules of the other scheme (for e.g. as to the minimum number of Units that may be redeemed or issued, Exit / Entry Load, lock-in period, etc). The price at which the Units will be Switched out of the scheme will be based on the Redemption Price, and the proceeds will be invested in the scheme at the Offer price for units in the scheme. **Subscription through Stock Exchange Platform for Mutual Funds:** **1. Transactions executed through Mutual Fund Distributors through NMF-II platform of National Stock Exchange of India Ltd.** 1. Mutual Fund Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by the concerned recognized stock exchange will be eligible to use NMF-II platform of National Stock Exchange of India Ltd. ('NSE') to purchase and redeem units of schemes of the Fund directly from CRMF in physical (non-demat) mode and/or demat (electronic) mode.

	2. MF distributors shall not handle pay out/pay in of funds as well as units on behalf of investor. Pay in will be directly received by recognized clearing corporation and payout will be directly made to investor's account. In the same manner, units shall be credited and debited directly from the demat account of investors. 3. Non-demat transactions are also permitted through stock exchange platform. 4. The facility of transacting in mutual fund schemes through stock exchange infrastructure is available subject to such operating guidelines, terms and conditions as may be prescribed by the respective Stock Exchanges from time to time. **2. Transaction through BSE StAR MF platform of Bombay Stock Exchange Limited ("BSE")** **A.** In addition to the existing modes for transactions in the units of the Regular Plan of the scheme, investors can also transact through BSE StAR MF platform of Bombay Stock Exchange Limited ("BSE"). The Salient features of the new facility are as follows: 1. Transaction for this purpose shall include purchase (including registration of SIP), redemption and switch facility. 2. The facility for purchase / redemption of units on BSE StAR MF will be available on all business days between 9.00 a.m.to 3.00 p.m. or such other time as may be decided from time to time. 3. Official Point of Acceptance a. All trading members of BSE who are registered with Association of Mutual Funds in India (AMFI) as Mutual Fund Advisors and empanelled with CRMF shall be eligible to offer purchase and redemption of units to the investors of the scheme and shall be treated as official point of Acceptance. b.. Clearing Members of registered Stock Exchanges and Depository participants of registered Depositories will also be considered as official point of Acceptance of CRMF. However Depository participants will be permitted to process only redemption requests of units held in demat form. 4. Clearing members and depository participants shall be required to comply with conditions stipulated in SEBI circular vide reference no. 11/183204/2009 dated November 13, 2009 for stock broker's viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund. 5. Investors will be required to comply with Know Your Customer (KYC) norms as prescribed by BSE / NSDL /CDSL and Canara Robeco Mutual Fund to participate in this facility. 6. Cut off timing for purchase / redemption of units Time stamping as evidenced by confirmation slip given by stock exchange mechanism will be considered for the purpose of determining applicable NAV and cut off timing for the transactions. The applicability of NAV will be subject to guidelines issued by SEBI from time to time on uniform cut-off time for applicability of NAV. 7. CRMF will not send account statement to unitholders holding units in demat mode. The statement provided by the Depository Participant will be equivalent to account statement.

	8. For all the transactions done through the platform separate folio number will be allotted and the bank account, address, nomination details, etc. shall be same as per the demat account of the investor. 9. For any grievances with respect to transactions in BSE StAR MF, the investors / unitholders should approach the Stock Broker or the investor grievances cell of the stock exchange. 10. This facility of transacting in the scheme through stock exchange infrastructure is available subject to such limits, regulations, operating guidelines, terms and conditions as may be prescribed by SEBI / BSE from time to time. The operating guidelines are available at BSE website viz., www.bseindia.com **B.** Switch facility is available under all schemes of CRMF which are transacted through BSE Star MFplatform of Bombay Stock Exchange Limited ("BSE") **TRANSACTIONS THROUGH "CHANNEL DISTRIBUTORS"** Investors may enter into an agreement with certain distributors (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website / other electronic means or through Power of Attorney in favour of the Channel Distributor, as the case may be. Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/ redemptions/switches) of their various investors and forward the same electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant schemes. The Channel Distributor is required to send copy of investors' KYC proof and agreement entered into between the investor & distributor to the RTA (one time for central record keeping) as also the transaction documents / proof of transaction authorization as the case may be, to the AMC / RTA as per agreed timelines. In case KYC proof and other necessary documents are not furnished within the stipulated timeline, the transaction request shall be liable to be rejected. Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the specified bank account of the Fund. The Redemption proceeds (subject to deduction of tax at source, if any) and dividend payouts, if any, are paid by the AMC to the investor directly through direct credit in the specified bank account of the investor or through issuance of payment instrument, as applicable. It may be noted that investors investing through this mode may also approach the AMC / Official Point(s) of Acceptance directly with their transaction requests (financial / nonfinancial) or avail of the online transaction facilities offered by the AMC. The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors/distributors through above mode. **ONLINE TRANSACTION ON THE WEBSITE:** Facility of online transactions is available on the official website of Canara Robeco Mutual Fund i.e. www.canararobeco.com. Consequent to this, the said website is declared to be an "official point of acceptance" for applications for subscriptions, redemptions, switches and other facilities. The Uniform Cut-off time as prescribed by SEBI and as mentioned in the Scheme

	Information Documents of respective schemes shall be applicable for applications received on the website. However, investors should note that transactions on the website shall be subject to the eligibility of the investor, any terms & conditions as stipulated by Canara Robeco Mutual Fund/Canara Robeco Asset Management Company Limited (CRAMC) from time to time and any law for the time being in force. **Optional automatic switch of redemption proceeds on maturity (Auto Maturity Switch)** The Mutual Fund provides the investors the flexibility to switch their redemption proceeds receivable on maturity of the Parent Scheme to any of the Scheme/Plan (Target Scheme) of the Canara Robeco Mutual Fund available for subscription on the date of maturity, as may be specified by the investor in the application form (request can be made during the New Fund Offer period or at any time before maturity). The switch-in requests in these schemes will be effected based on the applicable NAV of these schemes, subject to applicable cut-off timing provisions. **The Investor can choose to avail of this facility only at the time of making the application to subscribe to the units of the scheme by signing separately in the designated space in the application form and confirming their intention to avail auto maturity switch.** In case of any inconsistency in selection of option viz, Payout of redemption proceeds on maturity of scheme or Auto Maturity switch, payout of redemption proceeds shall be considered as default mode. Further, investor shall also have an option to alter his preference from auto maturity switch to Payout of redemption proceeds or vice versa by submitting a written request, at any time during the tenure of the scheme, not later than 10 working days prior to the maturity of the scheme. To make the switch effective, investor needs to hold all the units till maturity of the scheme. The switch shall be subject to the applicable terms and conditions of both the switch-out scheme and switch-in scheme as regards the minimum number of Units that may be redeemed or issued, Load etc. **Dividend Transfer Facility**: An investor applying for this facility can opt to automatically invest the dividend (as reduced by the amount of applicable statutory levy) declared by Canara Robeco Dual Advantage Fund Series 1 to any open ended scheme of Canara Robeco Mutual Fund. The dividend amount eligible for Dividend Transfer Facility would be subject to minimum investment requirement, as applicable from time to time, of the scheme to which dividend is being transferred The Investor can choose to avail of this facility at the time of making the application to subscribe to the units of the scheme by signing separately in the designated space in the application form and confirming their intention to avail Dividend Transfer Facility. Further, investor shall also have an option to apply for this facility by submitting a written request, at any time during the tenure of the scheme, not later than 10 working days prior to the maturity of the scheme. **Transaction through Mf Utilities India Private Limited** Canara Robeco Asset Management Company Limited ("the AMC") has entered into an Agreement with MF Utilities India Private Limited ("MFUI"), a "Category II - Registrar to an Issue" under SEBI (Registrars to an Issue and

	Share Transfer Agents) Regulations, 1993, for usage of MF Utility ("MFU")a shared services initiative of various Asset Management Companies under the aegis of Association of Mutual Funds in India ("AMFI"), which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form/transaction request and a single payment instrument/instruction. Accordingly, all financial and non-financial transactions pertaining to Schemes of Canara Robeco Mutual Fund can also be submitted through MFU either electronically or physically through the authorized Points of Service ("POS") of MFUI. The list of POS of MFUI is published on the website of MFUI at www.mfuindia.com and may be updated from time to time. For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to connect@mfuindia.com **Transactions through Electronic platform of Karvy Computershare Private Limited** All Investors are allowed to transact through www.karvymfs.com, an electronic platform provided by M/s. Karvy Computershare Pvt. Ltd. ('Karvy'), Registrar & Transfer Agent, in Schemes of Canara Robeco Mutual Fund ('CRMF') (except Exchange Traded Funds). The facility will also be available through mobile application of Karvy i.e. 'KTRACK' with effect from 3rd October, 2017. The uniform cut off time as prescribed under the SEBI (Mutual Funds) Regulations, 1996 and as mentioned in Scheme Information Documents ('SIDs')/Key Information Memorandums ('KIMs') of respective schemes of CRMF will be applicable for transactions received through Karvy's electronic platforms and the time of receipt of transaction recorded on the server of Karvy will be reckoned as the time of receipt of transaction for the purpose of determining applicability of NAV, subject to credit of funds to bank account of scheme(s), wherever applicable. The facility is subject to operating guidelines, terms and conditions as may be prescribed by Karvy or as may be specified by Canara Robeco Asset Management Company Ltd. from time to time. Time of receipt of transaction recorded on the server(s) of Karvy will continue to be reckoned for electronic transactions received through AMC website/Distributor website/applications etc. subject to credit of funds to bank account of scheme(s), wherever applicable. For operating guidelines, terms and conditions, registration form and further details, investors are requested to visit www.karvymfs.
Foreign Account Tax Compliance	FATCA is an acronym for Foreign Account Tax Compliance Act ("FATCA"), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments. The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an

	Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC/Fund are likely to be classified as a 'Foreign Financial Institution' (Investment Entity as per Annexure 1(i)) under the FATCA provisions. In accordance with FATCA provisions, the AMC/Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information/documentary evidences of the US and/or non-US status of its investors/Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns and/or to US Internal Revenue Service (IRS) or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS pursuant to the new reporting regime under FATCA. FATCA due diligence will be directed at each investor/Unit holder (including joint investor) and on being identified as a reportable person/specified US person, all the folios will be reported. In case of folios with joint holders, the entire account value of the investment portfolio will be attributable under each such reportable person. An investor/Unit holder will therefore be required to comply with the request of the AMC /Mutual Fund to furnish such information as and when sought by the AMC for the AMC/Mutual Fund to comply with the information reporting requirements stated in IGA and circulars issued by SEBI/AMFI from time to time in this regard. The information disclosed may include (but is not limited to) the identity of the investors and their direct or indirect beneficiaries, beneficial owners and controlling persons. Investors/ Unit holders should consult their own tax advisors regarding FATCA requirements with respect to their own situation. The Trustee/AMC reserves the right to change/modify the provisions mentioned above at a later date.
Cash Investments in mutual funds	In order to enhance the reach of mutual fund products amongst small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/businessmen/workers, SEBI has permitted receipt of cash transactions for fresh purchases/ additional purchases to the extent of Rs. 20,000/- per investor, per financial year shall be allowed subject to the following: 1. Compliance with Prevention of Money Laundering Act,2002 and Rules framed there under; the SEBI Circular(s)on Anti Money Laundering (AML) and other applicable Anti Money Laundering Rules, Regulations and Guidelines; and 2. Sufficient systems and procedures in place. However, payment towards redemptions, dividend, etc. with respect to aforementioned investments shall be paid only through banking channel. The Fund/ AMC is currently in the process of setting up appropriate systems and procedures for the said purpose. Appropriate notice shall be displayed on its website viz. as well as at the Investor Service Centres, once the facility is made available to the investors. **Note: Canara Robeco Mutual Fund does not accept investments in cash at present.**

B. Ongoing Offer Details

Ongoing Offer Period This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	Being a close ended Hybrid Scheme, investors can subscribe to the Units of the Scheme during the New Fund Offer Period only and the Scheme will not reopen for subscriptions after the closure of the NFO. To provide liquidity to the investors, the Fund proposes to list the units on one or more of the recognised stock exchanges.
Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for purchase/switch-in.	Units cannot be subscribed after the closure of the NFO. After the NFO, the persons can invest in the Scheme only through DEMAT mode by purchasing the units on NSE or any other Stock Exchange where the Scheme will list its units.
Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.	Units cannot be redeemed before the maturity period. Investors can sell units of the scheme on NSE or any other Stock Exchange where the units of the Scheme are listed.
Minimum amount for purchase/redemption/switches	Being a close ended Hybrid scheme, investors can subscribe to the units of the Scheme during the New Fund Offer period only and the Scheme will not re-open for subscription after the closure of the NFO. Since the Scheme will be listed on the Stock Exchange, the units can be purchased / sold in round lots of 1 unit, in case units are held in DEMAT form.
Accounts Statements	**For NFO period subscriptions:** On acceptance of the application for subscription, AMC shall send allotment confirmation specifying the number of units allotted to the investor by way of email and/or SMS's to the investors' registered email address and/or mobile number not later than 5 (five) business days from the date of closure of the New Fund Offer Period. **<u>Consolidated Account Statement (CAS):</u>** Under Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996, the AMC/ RTA is required to send consolidated account statement for each calendar month to all the investors in whose folio transaction has taken place during the month. Further, SEBI vide its circular ref. no.CIR/MRD/DP/31/2014 dated November 12, 2014, in order to enable a single consolidated view of all the investments of an investor in Mutual Fund and securities held in DEMAT form with Depositories, has required Depositories to generate and dispatch a single consolidated account statement for investors having mutual fund investments and holding DEMAT accounts. In view of the said requirements the account statements for transactions in units of the Fund by investors on or after February 1, 2015 will be dispatched to investors in following manner: **I. Investors who do not hold DEMAT Account**

	Consolidated account statement*, based on PAN of the holders, shall be sent by AMC/ RTA to investors not holding DEMAT account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month. Consolidated account statement shall be sent by AMC/RTA every half yearly (September/ March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios there have been no transactions during that period. *Consolidated account statement sent by AMC/RTA is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month. **II. Investors who hold DEMAT Account** Consolidated account statement**, based on PAN of the holders, shall be sent by Depositories to investors holding DEMAT account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month. Consolidated account statement shall be sent by Depositories every half yearly (September/March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios and DEMAT accounts there have been no transactions during that period. In case of DEMAT accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send account statement in terms of regulations applicable to the depositories. **Consolidated account statement sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and transaction in Dematerialised securities across DEMAT accounts of the investors and holding at the end of the month. Following provisions shall be applicable to CAS sent through AMC/ RTA and CAS sent through depositories: a. Investors are requested to note that for folios which are not included in the CAS, AMC shall henceforth issue monthly account statement to the unit holders, pursuant to any

	financial transaction done in such folios; the monthly statement will be sent on or before tenth day of succeeding month. Such statements shall be sent in physical form if no email id is provided in the folio. b. The statement sent within the time frame mentioned above is provisional and is subject to realisation of payment instrument and/or verification of documents, including the application form, by the RTA/AMC. c. In the event the folio/ DEMAT account has more than one registered holder, the first named Unit holder/Account holder shall receive the CAS (AMC/RTA or Depository). For the purpose of CAS (AMC/RTA or Depository), common investors across mutual funds/depositories shall be identified on the basis of PAN. Consolidation shall be based on the common sequence/order of investors in various folios/ DEMAT accounts across mutual funds / DEMAT accounts across depository participants. d. Investors whose folio(s)/ DEMAT account(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their folio(s)/ DEMAT account(s) are updated with PAN. e. For Unit Holders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail. f. The Unit Holder may request for a physical account statement by writing to/calling the AMC/RTA. In case of a specific request received from the unit holders, the AMC/RTA shall provide the account statement to the unit holders within 5 business days from the receipt of such request. g. Account Statements shall not be construed as proof of title and are only computer printed statements indicating the details of transactions under the Schemes during the current financial year and giving the closing balance of Units for the information of the Unit Holder. h. Non-transferable Unit Certificates will be sent, if an applicant so desires, within 5 Business Days of the receipt of a request for the certificate. Unit Certificates will not be issued for any fractional Units entitlement. i. Units held, either in the form of Account Statement or Unit Certificates, are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to SEBI (MF) Regulations issued from time to time.

	Annual Account Statement: The Mutual Funds shall provide the Account Statement to the unit holders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement, The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated. **Half Yearly Consolidated Account Statement:** A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/ March), on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period shall be sent by mail/email. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive in physical. Unit holders who receive account statements by e-mail may download the documents after receiving e-mail from the Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Fund to enable the Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.
Dividend	The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.
Maturity	The redemption proceeds on maturity, subject to availability of all relevant documents/details, shall be dispatched to the unitholders within 10 working days from the date of maturity of the Scheme. If the maturity date falls on a non-business day, the immediately following business day will be considered as the maturity date for the Scheme.
Delay in payment of maturity proceeds	The Asset Management Company shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum). However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / Unit holders verification of identity or such other details relating to subscription for Units under any applicable law or as may be requested by a regulatory body or any government authority,

	which may result in delay in processing the application.
Bank Account Details	In order to protect the interest of Unit holders from fraudulent encashment of cheques, the current SEBI (MF) Regulations has made it mandatory for investors to mention in their Application /Redemption request, their bank name and account number. The normal processing time may not be applicable in situations where such details are not provided by Investors / Unit holders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and / or any delay / loss in transit.

C. Periodic Disclosures

Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	The first NAV will be calculated and announced within a period of 5 (five) Business Days after the allotment of the Units. Thereafter, the NAV will be calculated and disclosed for every Business Day. The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9.00pm (time limit for uploading NAV as per applicable guidelines) and also on in case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs. NAV of the scheme will be calculated up to two decimal places and shall be published in at least two daily newspapers on daily basis in accordance with the SEBI Regulations. In addition, the NAV for all business days will be available at our Branch Offices.
Half yearly Disclosures: Financial Results / Portfolio This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The Mutual Fund shall host half yearly disclosures of the Schemes' unaudited financial results in the prescribed format on its website viz. www.canararobeco.com within one month from the close of each half year i.e. on 31st March and on 30th September. AMC shall publish an advertisement disclosing the hosting of such financial results on its website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated. The unaudited financial results will also be displayed on the website of AMFI. **Portfolio:** The Mutual Fund shall before the expiry of one month from the close of each half year i.e. March 31 and September 30, send to all Unit holders a complete statement of its Scheme portfolio. Provided that the statement of Scheme portfolio

	may not be sent to the Unit holders if the statement is published, by way of an advertisement, in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The disclosure of Portfolio shall be made in the format prescribed by SEBI. The statement of portfolio shall also be displayed on the website of the Mutual Fund.
Monthly Portfolio Disclosure	As presently required by the SEBI Regulations, the portfolio of the schemes shall be available in a user-friendly and downloadable format on the website of AMC (www.canararobeco.com) on or before the tenth day of the succeeding month.
Annual Report	The Scheme wise annual report or an abridged summary thereof shall be sent: (i) by e-mail to the Unit holders whose e-mail address is available with the Fund, (ii) in physical form to the Unit holders whose email address is not registered with the Fund and/or those Unit holders who have opted / requested for the same. The scheme wise annual report or an abridged summary shall be sent by mail/e-mail not later than four months from the date of closure of the relevant accounting year (i.e. 31st March each year). The physical copy of the scheme wise annual report or abridged summary thereof shall be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary thereof shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI).
Associate Transactions	Please refer to Statement of Additional Information (SAI).
Taxation The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/ authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.	Please refer to Statement of Additional Information (SAI).
Investor services	Mr. M Paparao Head – Mid Office Canara Robeco Asset Management Co. Ltd.

	4th Floor, Construction House, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001 Tel No. (022) 6658 5000 Fax (022) 6658 5012/13 E-Mail : crmf@canararobeco.com

D. Computation of NAV

The computation of NAV, valuation of securities / assets, accounting policies and standards would be in conformity with the SEBI (Mutual Funds) Regulations, 1996 and guidelines issued from time to time. The NAV per unit shall be calculated as follows:

$$\frac{\text{Market or Fair Value of Scheme's investments} + \text{Current assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}} = \text{NAV (Rs.)}$$

The price arrived shall be rounded off up to two decimals.

IV. Fees and Expenses

This section outlines the expenses that will be charged to the schemes:

A. New Fund Offer (NFO) Expenses

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. These expenses will be borne by the AMC.

B. Annual Scheme Recurring Expenses

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

The AMC has estimated that the following percentage of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund www.canararobeco.com. Any expenses beyond the limits shall be borne by the AMC.

Expense Head (* Regular Plan)	**% of Net Assets**
Investment Management and Advisory Fees	Upto 2.25%**
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
GST on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	**Upto 2.25%**
Additional expenses for gross new inflows from specified cities	Upto 0.30%

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

At least 5% of the TER is charged towards distribution expenses / commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses / commission (at least 5 %) which is charged in the Regular Plan.

Fungibility of expenses: The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF)

Regulations are fungible in nature. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively.

The purpose of the above table is to assist the Investor in understanding the various costs and expenses that an Investor in the Scheme will bear directly or indirectly. The figures in the table above are estimates. The actual expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI (MF) Regulations.

As per the Regulation 52, the investment management fee and total annual scheme recurring expenses chargeable to the Scheme are as under:

- On the first Rs.100 Crore of the daily net assets - 2.25%
- On the next Rs.300 Crore of the daily net assets - 2.00%
- On the next Rs.300 Crore of the daily net assets – 1.75%
- On the balance of the assets – 1.50%

a. **Additional Expenses under Regulation 52 (6A):**
   Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions;

   In accordance with SEBI circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, any payment towards brokerage and transaction cost, over and above the said 0.12% and 0.05% for cash market transactions and derivatives transactions respectively, may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 (6) of the SEBI (MF) Regulations, 1996.

b. **Expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least -**
   (i) 30 per cent of gross new inflows in the scheme, or;
   (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

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

   The said additional expenses on account of inflows from beyond top 30 cities so charged shall be clawed back in the respective schemes, in case the said inflow is redeemed within a period of 1 year from the date of investment. The expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities

An illustration:

Assuming, an investor has invested Rs.10, 000/- in the scheme having total expense ratio of 2.25%
The scheme generated a CAGR return of 7% over one year. Therefore,
Investment Amount (Rs.) (A) = 10,000
Scheme Return (1Year) in CAGR (%) (B) = 7%
Return in One Year (Rs.) (C= (A)*(1+B)^1) = 700
Total Expense Ratio (%) (D) = 2.25%
Impact of Total Expense Ratio (Rs.) (E=A*D) = 225
Total Return to the investor (Rs.) (F=C-E) =475

As mentioned in the illustration above, the schemes return to the investor is impacted by 2.25% due to the expense charged.

Please note that the above is an approximate illustration of the impact of expense ratio on the returns, where the Gross NAV has been simply reduced to the extent of the expenses. In reality, the actual impact would vary depending on the path of returns over the period of consideration. Expenses will be charged on daily net assets. These estimates have been made in good faith as per the information available to the Investment Manager based on past experience but the total expenses shall not exceed the limits permitted by SEBI. Types of expenses charged shall be as per the SEBI (MF) Regulations.

The purpose of the above illustration is to assist the investor in understanding the various costs and expenses that an investor in the scheme will bear directly or indirectly.

Goods and Service Tax (GST):
GST shall be charged as follows:

- GST on investment and advisory fees shall be charged to the Scheme in addition to the maximum limit on TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- GST on other than investment and advisory fees, if any, shall be borne by the Scheme within the maximum limit on TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- 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.

Note: Government of India has implemented the Goods & Services Tax (GST) with effect from July 1, 2017.

Investor Education and Awareness initiatives

As per SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall annually set apart at least 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Scheme within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken by the Fund.

The total expenses of the Scheme including the Investment Management and Advisory Fee shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations. Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC or by the Trustee or the Sponsor.

The mutual fund would update the current expense ratios on the website at least three working days prior to the effective date of the change.

C. Load Structure

Load is an amount which is paid by the investor to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC www.canararobeco.com.

The following load structure shall be applicable for Canara Robeco Dual Advantage Fund Series 1
Entry Load: Nil
Exit Load: Nil

- Being a listed scheme, no exit load will be applicable.
- Investors shall note that the brokerage on sales of the units of the Schemes on the stock exchanges shall be borne by the investors.

The above mentioned load structure shall be equally applicable to the special products offered by the AMC. Further, for switches between the Growth and Dividend Option or vice versa, no load will be charged by the scheme. For switches between the Plans i.e. between Regular and Direct Plan or vice versa, no load will be charged by the scheme.

The distributors shall disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the scheme is being recommended to the investor

Unitholder Transaction Expenses and Load

The Redemption Price will not be lower than 93% of the Applicable NAV and the Purchase Price will not be higher than 107% of the Applicable NAV, provided that the difference between the Redemption Price and the Purchase Price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time, which is currently 7% calculated on the Purchase Price.

D. Waiver of load for Direct Applications

Not applicable

E. Transaction Charges

In accordance with SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011 and as amended from time to time, the AMC shall deduct the Transaction Charges on purchase / subscription of Rs. 10,000 and above received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/agent (who have opted to receive the transaction charges for this Scheme type) as under:

I. Payment of Transaction Charges:

Transaction charges will be paid only to those distributors who have expressly opted-in to receive the transaction charges in accordance with the SEBI circular No. Cir/IMD/DF/13/2011 dated August 22, 2011.

II. First Time Mutual Fund Investor (across Mutual Funds):

Transaction charge of Rs 150/- (Rupees One hundred fifty only) for subscription of Rs 10,000/- (Rupees ten thousand only) and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor and the balance shall be invested.

III. Investor other than First Time Mutual Fund Investor:

Transaction charge of Rs 100/- per subscription of Rs 10,000/- and above will be deducted from the subscription amount and paid to the distributor/agent of the investor and the balance shall be invested.

IV. Transaction charges shall not be deducted for:

a) purchases/subscriptions for an amount less than Rs 10,000/-;
b) Transaction other than purchases/subscriptions relating to new inflows such as Switch etc.
c) Purchases/subscriptions made directly with the Fund (i.e. not through any distributor/agent).
d) Purchases/Subscriptions made through National Stock Exchange/Bombay Stock Exchange platform.

V. Rights of Unitholders

Please refer to SAI for details.

VI. Penalties, Pending Litigation or Proceedings

Findings of inspections or investigations for which action may have been taken or is in the process of being taken by any regulatory authority.

1. During the last three years, neither SEBI nor any other Regulatory body has awarded any penalty under SEBI Act or Regulations and there is no enquiry or adjudication proceeding/s, that are in progress against the Sponsors or any company associated with the Sponsors in any capacity including the AMC, the Board of Trustees or any of the Directors or key personnel of the AMC under the SEBI Act or any other Regulations. In addition, no penalties have been awarded for any economic offences and violation of securities laws.

2. (a) The Mutual Fund is defending and / or filed cases in the Special Court constituted under the Special Court (Trial of Offences relating to transactions in Securities) Act, 1992 in respect of the claims arising out of scam related transactions. The Fund has taken necessary steps as legally advised.
   (b) A Writ Petition is pending before the Hon'ble Kolkata High Court, for direction to prohibit the Fund from converting the close ended Cantriple+ Scheme into open ended and for direction regarding payment of three times the original investment. Cases are also pending before various Consumer Fora claiming three times the investment in Cantriple+ Scheme. The cases are at various stages of hearing. The Fund has taken necessary steps as legally advised.
   (c) There are about 21 consumer cases (including appeals) filed by various parties against the Fund in respect of various schemes of the Fund, which are pending.
   (d) Inspite of the Fund being a tax-exempt entity u/s 10(23 D) of the Income Tax Act, 1962, claims have been received from tax authorities on some of its investments in PTCs. The Fund has denied the said claims and taken necessary steps as legally advised.

In respect of the cases mentioned above, the Mutual Fund / Investment Manager will abide by the final decision of the courts.

3. No criminal cases are pending against the Sponsors, any company associated with the Sponsors in any capacity, AMC, Board of Trustees, any of the Directors or key personnel. The Sponsors, Canara Bank, has over 3000 branches and RobecoGroep N. V. has several offices across the world. To the best of our knowledge and belief, no criminal cases which may affect the business of Mutual Fund are pending against the Sponsors or any company associated with the Sponsors in any capacity or any of the Directors or key personnel.

IMPORTANT NOTICE

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

Trustees have approved the said scheme and have guaranteed the same to be a new scheme.