



SCHEME INFORMATION DOCUMENT

SECTION I

Shriram Flexi Cap Fund

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

Product Labelling

| This product is suitable for investors who are seeking*: | Scheme Riskometer | Benchmark Riskometer |
|---|--|---|
| <ul style="list-style-type: none"> • Long term capital appreciation • Investment in actively managed portfolio predominantly consisting of Equity & equity related securities diversified over various sectors. • Very High Risk | <p>RISKOMETER Investors understand that their principal will be at very high risk</p> | <p>Benchmark Riskometer is at very high risk As per AMFI Tier I Benchmark i.e- NIFTY 500 TRI</p> |

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

Continuous offer for units at NAV related price

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| Name of Mutual Fund: | Shriram Mutual Fund Address : Shriram House No. 4, Burkit Road, T. Nagar, Chennai - 600 017 |
| Name of Asset Management Company: | Shriram Asset Management Company Limited (CIN: L65991MH1994PLC079874) |
| Name of Trustee Company : | Shriram Trustees Limited |
| Address : | Registered Office: 217, 2nd Floor, Swastik Chambers, Near Junction of S.T. & C.S.T. Road, Chembur, Mumbai-400 071, India |

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

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of SHRIRAM MUTUAL FUND, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.shriramamc.in

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

This Scheme Information Document is dated October 31, 2024

INTERPRETATION

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

- ❖ All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- ❖ All references to "Rs." refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- ❖ All references to timings relate to Indian Standard Time (IST).
- ❖ Words and expressions used in the Scheme Information Document and not defined shall have the same meaning as in the regulations.
- ❖ References to a day are to a calendar day including non-Business Day unless otherwise specified.

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Part -I. HIGHLIGHTS/SUMMARY OF THE SCHEME

| Sr. No. | Title | Description |
|---------|--|--|
| I. | Name of the scheme | Shriram Flexi Cap Fund |
| II. | Category of the Scheme | Flexi Cap Fund |
| III. | Scheme type | An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks |
| IV. | Scheme code | SHRI/O/E/FCF/18/04/0002 |
| V. | Investment objective | The primary investment objective of the scheme is to generate long term capital appreciation by investing in an actively managed portfolio predominantly consisting of Equity & equity related securities diversified over various sectors..There is no assurance that the investment objective of the Scheme will be achieved. The Scheme does not assure or guarantee any returns. |
| VI. | Liquidity/listing details | <p>Liquidity: Under normal circumstances, the transfer of redemption or repurchase proceeds to the unitholders shall be made within three working days from the date of redemption or repurchase (however, in case of exceptional situations specified by AMFI in its letter no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023 additional timelines allowed in the said AMFI letter shall be considered for transfer of redemption or repurchase proceeds to the unitholders). Interest for the period of delay in transfer of redemption or repurchase proceeds shall be payable to unitholders at the rate of 15% per annum along with the proceeds of redemption or repurchase if the redemption or repurchase proceeds are not transferred within three working days from the date of redemption or repurchase and within specified additional timeline (in exceptional situations) mentioned above. Such Interest shall be borne by AMC.</p> <p>Listing: The Units of the Scheme are presently not proposed to be listed on any stock exchange. However, the Fund may at its sole discretion list the Units under the Scheme on one or more Stock Exchanges at a later date, and thereupon the Fund will make a suitable public announcement to that effect.</p> |
| VII. | Benchmark (Total Return Index) | <p>Name of benchmark: NIFTY 500 TRI</p> <p>Justification for use of benchmark: On the basis of investment objective of the scheme and in line with the relevant circulars & clarifications, NIFTY 500 TRI has been currently selected as the benchmark of the scheme. Since the scheme will invest mainly in Equity & equity related securities diversified over various sectors, NIFTY 500 TRI index is the most appropriate index for the scheme.</p> <p>NIFTY 500 TRI is a well-diversified stock index accounting for various, sectors of the economy. It is a popular and widely followed benchmark to track the performance of Indian equity markets. It is a diversified index and captures most of the sectors from which portfolio might be constructed. The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to the Regulations and other prevalent guidelines.</p> |
| VIII. | NAV disclosure | <p>The Mutual Fund shall prominently disclose the Net Asset Value of the scheme on every business day under a separate head on the website of the AMC "www.shriramamc.in" as well as on AMFI's website "www.amfiindia.com" by 11:00 p.m of the same day. This time limit may be revised based on any amendment as introduced by SEBI for uploading NAV from time to time. 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. NAV shall be calculated on all business days. In addition, the NAV for all business days will be available at our Branch Offices. Further, Mutual Fund/ AMC shall extend facility of sending latest available NAVs to unit holders through SMS, upon receiving a specific request in this regard.</p> <p>Further Details in Section II.</p> |
| IX. | Applicable timelines | <p>Timeline for <u>Dispatch of redemption proceeds –</u> The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024.</p> <p><u>Dispatch of IDCW –</u> The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.</p> |
| X. | Plans and Options Plans/Options and sub options under the Scheme | <p>Regular Plan (For applications routed through Distributors)</p> <ul style="list-style-type: none"> ➤ Growth ➤ Income Distribution cum Capital Withdrawal option (Payout/Reinvestment) <p>Direct Plan (For applications not routed through Distributors)</p> <ul style="list-style-type: none"> ➤ Growth ➤ Income Distribution cum Capital Withdrawal option (Payout/Reinvestment) <p>Note: IDCW amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains.</p> <p>IDCW distribution is at the discretion of the Trustees and subject to available distributable surplus. However, the Trustee reserve the right to introduce / modify investment Plans / Options under the Scheme at a future date in accordance with SEBI (MF) Regulations.</p> <p>All plans/options will have a common portfolio.</p> <p>Direct Plan is only for the investor who purchase/subscribe Units in the Scheme directly with the Fund (i.e Investments not routed through AMFI Registration number (ARN) Holder.) Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund(except Stock Exchange Platform(s) and all other Platform(s) where investors' applications for subscription of units are routed through Distributors).</p> |

| | | <p>Default Plan: The treatment of applications under “Direct”/ “Regular” Plan shall be based on the following scenarios:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct</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> <tr> <td>9</td> <td>Mentioned</td> <td>Both Direct/ Regular Plan ticked/no clarity</td> <td>Regular Plan</td> </tr> </tbody> </table> <p>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.</p> <p>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 valid applications received without indicating any choice of option under Income Distribution cum Capital Withdrawal option, it will be considered as option for Reinvestment of Income Distribution cum Capital Withdrawal option and processed accordingly For detailed disclosure on default plans and options, kindly refer SAI.</p> | Scenario | Broker Code mentioned by the investor | Plan mentioned by the investor | Default Plan to be captured | 1 | Not mentioned | Not mentioned | Direct Plan | 2 | Not mentioned | Direct | 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 | 9 | Mentioned | Both Direct/ Regular Plan ticked/no clarity | Regular Plan |
|----------|---|--|-----------------------------|---------------------------------------|--------------------------------|-----------------------------|---|---------------|---------------|-------------|---|---------------|--------|-------------|---|---------------|---------|-------------|---|-----------|--------|-------------|---|--------|---------------|-------------|---|--------|---------|-------------|---|-----------|---------|--------------|---|-----------|---------------|--------------|---|-----------|---|--------------|
| 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Mentioned | Both Direct/ Regular Plan ticked/no clarity | Regular Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XI. | Load Structure | <p>Exit Load: If redeemed / switched-out within 90 days from the date of allotment:-</p> <ul style="list-style-type: none"> • Upto 12% of units: Nil • More than 12% of units: 1% of applicable Net Asset Value (NAV) <p>If redeemed/switched-out after 90 days from the date of allotment: Nil</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XII. | Minimum Application Amount/switch in | The minimum application amount shall be Rs. 500/- and in multiples of Re. 1/- thereafter. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XIII. | Minimum Additional Purchase Amount | Rs. 500 /- and in multiples of Re. 1/- thereafter | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XIV. | Minimum Redemption/switch out amount | Rs. 1000/- or 100 Units or account balance whichever is lower in respect of each Option. In case the Investor specifies the number of Units and amount both, the number of Units shall be considered for Redemption. In case the Unit holder doesnot specify the number or amount, the request will not be processed. Note: In accordance with the regulatory requirement, the minimum application amount and minimum redemption amount will not be applicable for investment made in schemes of the Fund in compliance with the Para 6.10 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XV. | New Fund Offer Period This is the period during which a new scheme sells its units to the investors. | Currently an ongoing scheme, hence not applicable. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XVI. | New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO. | Currently an ongoing scheme, hence not applicable. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XVII. | Segregated portfolio/side pocketing disclosure | The Scheme doesn't have any segregated portfolio. The Scheme has provisions for Segregated Portfolio. For more details on Segregated Portfolio/ side Pocketing, kindly refer SAI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XVIII. | Swing pricing disclosure | Not Applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XIX. | Stock lending/short selling | The Scheme may engage in Short selling of securities in accordance with the framework relating to Short Selling specified by SEBI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XX. | How to Apply | For details refer to the SAI and Application form for the instructions. Filled up applications can be submitted at the Offices of the CAMS Transaction points and ISC's as per the details given on the last few pages of this document including the back cover page. Details in section II. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| XXI. | Where can applications for subscription/redemption/ | The unitholder should submit the transaction slip for a purchase / redemption/switch at any of the Designated Investor Service Centres of RTA or AMC branches designated as ISCs. Alternatively, investors may also submit through online mode. Details provided in Section II. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| XXII. | Investor services | Contact details of the Investor Relations Officer for general service request and complaint resolution: Name : Mr. Tanmoy Sengupta Address : Shriram Asset Management Company Ltd., 511-512, Meadows, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai - 400 059. Telephone No.: (022) 6947 2400 E-mail id : info@shriramamc.in |
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| XXIII. | Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable) | Not Applicable |
| XXIV. | Special product/facility available during the NFO and on ongoing basis | <p>Systematic Investment Purchase (SIP) and Switch In facility would be available. Pursuant to the requirement of Para 16.2.4.6 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the Board of Director of the AMC & Board of Trustees have decided that :</p> <p>(i) Units of mutual fund schemes shall be permitted to be transacted through clearing members of the registered Stock Exchanges.</p> <p>(ii) To permit Depository participants of registered Depositories to process only redemption request of units held in demat form.</p> <p>I. Subscription / redemption of units: The following provisions shall be applicable with respect to investors having demat account and purchasing/redeeming mutual fund units through stock exchange brokers and Clearing members:</p> <p>(i) Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through broker/clearing member's pool account. Shriram Mutual Fund / Shriram Asset Management Co. Ltd. shall pay proceeds to the broker/clearing member (in case of redemption) and broker/clearing member shall make payment to the investor. The units shall be credited by the AMC/ Mutual Fund into broker/ clearing member's pool account (in case of purchase) and broker/clearing member shall credit the units to the respective investor's demat account.</p> <p>(ii) The AMC / Mutual Fund shall be discharged of its obligation of payment to the investors immediately on making payment of the redemption proceeds to the broker/clearing members. In case of purchase of units, crediting units into broker/clearing member pool account shall discharge AMC/Mutual Fund of its obligation to allot units to individual investor.</p> <p>II. Participants to be Official Points of Transaction: Participant (Clearing members and Depository participants) intending to extend the transaction in eligible schemes of Shriram Mutual Fund through stock exchange mechanism shall be required to comply with the requirements specified in Para 16.2.4.8 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 for stock brokers viz. AMFI/NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund. All such participants will be eligible to be considered as Official Points of acceptance as per Para 16.2.4.8 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 for limited purposes of subscription and redemption transactions.</p> <p>The transactions carried out on the above platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars/guidelines issued hereunder from time to time.</p> |
| | | <p>Web Transactions:</p> <p>The Mutual Fund also allows subscriptions of Units by electronic mode through the various web sites with whom the AMC would have an arrangement from time to time. Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the designated bank collection account of the Scheme. The intermediary will aggregate the data and forward the same to the AMC / ISC for processing. Unit holders may request for change of address/ bank account etc. through this mode provided, such website(s) provide for this facility. The investor is required to send the signature card with the specimen signatures of all the applicants, to the AMC / ISC. In the case of signatures not being made available, any request received, whether financial / nonfinancial, including request for Redemption of Units, shall not be processed till such time that the specimen signature cards duly signed by the applicants are received by the AMC/ ISC. As and when regulatory authorities permit the use of digital signatures, the Mutual Fund may implement the same in lieu of the physical signature cards. The Applicable NAV for subscriptions / redemptions of Units through Electronic Mode will be in accordance with the SEBI (MF) guidelines for Time Stamping and Cut-off Timings for subscriptions / redemptions made on ongoing basis. The Mutual Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the web-site or its non-use including non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning or interruption of business, error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information. The Mutual Fund may introduce a facility for distributors to transact on the web on behalf of their clients, provided the client has authorised the distributors to do so by executing a Power of Attorney in favour of the distributor for this purpose. In such event, the Power of Attorney should be submitted to the Mutual Fund. It shall be the responsibility of the distributor, to ensure that the Power of Attorney is valid and subsisting to carry out the transaction.</p> <p>Electronic Services:</p> <p>This facility enables investors to transact online on Unit holders can execute transactions online for purchase*, switch and also register for Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) of units of schemes of Shriram Mutual Fund and other services as may be introduced by Shriram Mutual Fund from time to time. Unit holders can also view account details and portfolio valuation online, download account statements and request for documents via email, besides other options.</p> <p>*facility available with select banks and subject to submission of Permanent Account Number (PAN) and Know Your Customer (KYC) compliance proof.</p> <p>Subscription Of Units Through Electronic Mode:</p> <p>Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar ("Recipient") may accept transactions through any electronic mode ("fax/web/electronic transactions") as permitted by SEBI or other regulatory authorities. The acceptance of the fax/web/electronic transactions will be solely at the risk of the transmitter of the fax/ web / electronic transactions and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such</p> |

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| | | <p>transactions including where a fax / web /electronic transactions sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient. Facility of online transactions is available on the official website of Shriram Mutual Fund i.e. Consequent to this, the said website is declared to be an "official point of acceptance" for applications for subscriptions, 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.</p> <p>The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions / transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. The transmitter's request to the Recipient to act on any fax / web / electronic transmission is for the transmitter's convenience and the Recipient is not obliged or bound to act on the same.</p> <p>The transmitter authorizes the recipient to accept and act on any fax/web/electronic transmission which the recipient believes in good faith to be given by the transmitter and the recipient shall be entitled to treat any such fax/web/electronic transaction as if the same was given to the recipient under the transmitter's original signature. The transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone call backs or a combination of the same, which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the recipient to enable confirmation of such fax/web/electronic transaction requests. The transmitter accepts that the fax/web/electronic transactions shall not be considered until time stamped as a valid transaction request in the Scheme(s) in line with SEBI (MF) regulations. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax/web/electronic transaction request received/purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax/web/electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time.</p> <p>For further details of above special products / facilities, For Details, kindly refer SAI</p> |
| XXV. | Weblink | <p>For details relating to TER for last 6 months and daily TER as well as scheme factsheet, please refer to the website of the Mutual Fund at</p> <p>For TER - https://www.shriramamc.in/investor-total-expense-ratio</p> <p>For Scheme Factsheet - https://www.shriramamc.in/factsheet</p> |
| XXV | Nomination | <p>Pursuant to clause 17.16 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the following provisions shall be applicable for Nomination for Mutual Fund Unit Holders:</p> <p>Investors subscribing to mutual fund units shall have the choice of:</p> <ol style="list-style-type: none"> a) Providing nomination in the format specified in fourth schedule of SEBI (Mutual Funds) Regulations, 1996 (or) b) Opting out of nomination through a signed Declaration form <p>AMC shall provide an option to the unit holder(s) to submit either the nomination form or the declaration form for opting out of nomination in physical or online as per the choice of the unit holder(s).</p> <p>In case of physical option, the forms shall carry the wet signature of all the unit holder(s) and in case of online option, the forms shall be using e-Sign facility recognized under Information Technology Act, 2000 or through two factor authentication (2FA) in which one of the factor shall be a One-Time Password sent to the unit holder at his/her email/phone number registered with Shriram Asset Management Company Limited or in line with the Regulation as may be updated from time to time. If the nominee / opt-out details are incomplete or the mandatory information is not provided, the form shall be considered as 'Not in good order' (NIGO) and the investor shall be notified promptly to remediate the same.</p> <p>Unit holders are further requested to note pursuant to SEBI circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/29 dated April 30, 2024, the requirement of nomination specified under clause 17.16 of the Master Circular for Mutual Funds shall be optional for jointly held Mutual Fund folios.</p> |

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

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

Place : Mumbai
Date : October 31, , 2024

For Shriram Asset Management Company Limited
Sd/-
Ajay Bhanushali
Compliance Officer

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the anticipated asset allocation pattern of the Scheme would be as under:

| Instruments | Indicative Allocation (% of total assets) | |
|--|--|---------|
| | Maximum | Minimum |
| Equity, Equity related instruments including Derivatives # | 100 % | 65% |
| Debt & Money Market Instruments # | 35% | 0% |

including Derivative instruments.

Investment in Derivatives - up to 50% of the net assets of the Scheme. Investment in derivatives shall be for hedging, portfolio balancing or any other purposes as maybe permitted by SEBI from time to time.

The Scheme retains the flexibility to invest across all the securities in the Equity and Equity related instruments, Debt and Money Market Instruments.

The Scheme may also invest in units of debt and liquid mutual fund schemes. As per investment restrictions specified in the Seventh schedule of SEBI (Mutual Fund) Regulations, 1996, the Scheme may invest in other schemes of the Mutual Fund or any other mutual fund without charging any fees, provided the aggregate inter-scheme investment made by all the schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Mutual Fund.

Indicative Table

| Sl. No. | Type of Instrument | Percentage of exposure | Circular references* |
|---------|---|--|--|
| 1. | Lending Cumulative gross exposure | The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps incorporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. | As per Para 12.24.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 |
| 2. | Derivatives | Investment & Disclosure in the derivatives will be in line with Para 12.25 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 | Para 12.25 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 |
| 3. | Securitized debt instruments | The scheme shall not invest in securitized debt instruments. | -- |
| 4. | Foreign securities | The scheme shall not invest in foreign securities. | -- |
| 5. | Debt instruments having structured obligations/credit enhancements | The scheme shall not invest in the debt instruments having structured obligations/credit enhancements. | -- |
| 6. | Short term deposits of scheduled commercial banks | Pending deployment of the funds of the Scheme in securities in terms of the investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI pursuant to para 12.16 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 and such other guidelines as may be issued from time to time in this regard. | Para 12.16 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 |
| 7. | Short selling | The Scheme may engage in Short selling of securities in accordance with the framework relating to Short Selling specified by SEBI. | Para 12.11 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 |

Portfolio rebalancing:

Portfolio Rebalancing due to Short Term Defensive Consideration:

Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations as per para 1.14.1.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024, and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation. Rebalancing due to Passive Breaches:

Further, as per Para 2.9.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, as may be amended from time to time, in the event of deviation from mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager shall rebalance the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Review Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to sixty (60) Business Days from the date of completion of mandated rebalancing period. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in para 2.9.3 and 2.9.4 of the SEBI Master Circular on Mutual Funds dated June 27, 2024.

B. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme will be invested in Equity and equity related instruments, debt, money market instruments and other permitted instruments, which will include but not limited to:

- a) Equity and Equity linked instruments of domestic companies / corporations.
- b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government.
- d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero

coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI /RBI from time to time.

- e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, triparty repo on Government securities or treasury bills, and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
- f) Domestic derivatives.
- g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time.
- h) Any other domestic debt and money market instruments that may be available from time to time.
- i) Any other instrument as may be permitted under the Regulations from time to time.
- j) Investments in other schemes
- k) Investments in Derivative Instruments

C. WHAT ARE THE INVESTMENT STRATEGIES?

The scheme follows a blend of value and growth style of investing. The fund will follow a bottom-up approach to stock-picking and choose companies across sectors. The debt portion of the scheme will be invested in high quality fixed income instruments.

i. Investment Strategy

Asset allocation between equities and debt is a critical function in an equity fund. The equity and debt portfolios of the Scheme would be managed as per the respective investment strategies detailed herein: -

- a. Optimally allocate assets between equity and debt within defined limits. Allocation of assets between Equity and Debt will need to be monitored and reviewed at regular intervals (at least quarterly) through an internal process.
- b. Actively manage the equity and debt portfolio to realize the scheme objective. Debt and equity exposures would be adequately diversified. Additionally, the portfolio is hedged with covered call strategy by writing call options of the underlying stocks. Debt exposures would be actively managed from both credit and interest rate risk (no duration constraints) perspectives with due consideration given to liquidity of investments. The scheme will invest in equity without any market capitalization or sector/style bias.
- c. The asset allocation in the fund is designed keeping in mind the necessity of providing consistent returns and maintaining a balance between debt and equity, with occasional alterations.

Equity Investments:

The investment approach would be based on the concept of economic earning power and cash return on investments.

Five basic principles serve as the foundation for this investment approach. They are as follows:

- ❖ Focus on long term growth.
- ❖ View our investments as conferring a proportionate ownership of the business.
- ❖ Maintain a margin of safety (i.e. the price of purchase represents a discount to the intrinsic value of that business).
- ❖ Maintain an equity outlook on the market by regularly monitoring economic trends and investor sentiment.
- ❖ The decision to sell a holding would be based on one of three reasons:
 - The anticipated price appreciation has been achieved or is no longer probable.
 - Alternative investments offer superior total return prospects, or
 - A fundamental change has occurred in the company or the market in which it competes.

Debt Investments:

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to section 'WHERE WILL THE SCHEME(S) INVEST' on Page 8.

Derivatives:

Derivatives are financial contracts of predetermined fixed duration, whose values are derived from the value of an underlying primary financial instrument, or index, such as: interest rates, exchange rates, and equities.

The Scheme will endeavour to invest in arbitrage opportunities between spot and futures prices of exchange traded equities. The Scheme will build similar hedge positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash segment and selling the index futures and selling the corresponding stock future, etc.

The Scheme will also invest in low risk derivatives strategies. These strategies will involve any combination of cash, futures and options.

The Scheme will invest in opportunities arising out of corporate actions announced in stocks that offer superior risk adjusted returns and IPOs. Please refer to INVESTMENTS IN DERIVATIVE INSTRUMENTS under the section 'WHERE WILL THE SCHEME(S) INVEST' on Page 8.

Cash Futures Arbitrage Strategy (Only one way as funds are not allowed to short in the cash market):

The fund would look for market opportunities between the spot and the futures market. The cash futures arbitrage strategy can be employed when the price of the futures exceeds the price of the underlying stock. The fund would first buy the stocks in cash market and then sell in the futures market to lock the spread known as arbitrage return.

Buying the stock in cash market and selling the futures results into a hedge where the fund have locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts.

The future contracts are settled based on the last half an hour's weighted average trade of the cash market. Thus there is a convergence between the cash market and the futures market on expiry. This convergence helps the fund to generate the arbitrage return locked in earlier. However, the position could even be closed earlier in case the price differential is realized before expiry or better opportunities are available in other stocks. The strategy is attractive if this price differential (post all costs) is higher than the investor's cost-of capital.

Corporate Action / Event Driven Strategies:

- a) Dividend Arbitrage: Around dividend declaration time, the stock futures / options market can provide a profitable opportunity. Generally, the stock price decline by the dividend amount when the stock goes ex-dividend.
- b) Buy-Back Arbitrage: When the Company announces the buy-back of its own shares, there could be opportunities due to price differential in buyback price and traded price.
- c) Merger: When the Company announces any merger, amalgamation, hive off, de-merger, etc, there could be opportunities due to price differential in the cash and the derivative market.

For the purpose of identifying sector, the scheme shall use AMFI sector definition. However, this limit may not be applicable for Tri-Party Repo/Bank CDs/GOI secs/T-Bills and AAA rated PSU Banks and PFIs.

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

ii. Portfolio Turnover

Portfolio Turnover is defined as the lower of the value of purchases or sales as a percentage of the average corpus of the Scheme during a specified period of time. Due to the inherent nature of the Scheme, it is expected that there could be regular subscriptions and redemptions on an ongoing basis. Further, the AMC may have to sell the underlying from time to time to meet ongoing expenses/transaction costs or redemptions. In view of the above, it will be difficult to provide an estimate/range with a reasonable measure of accuracy for the anticipated portfolio turnover in the Scheme, but it will be the endeavour of the fund manager to maintain an optimal portfolio turnover rate commensurate with the investment objective of the scheme and purchase/ redemption transactions on an ongoing basis in the scheme.

iii. Risk Control

The Mutual Fund has built adequate internal risk management controls and safeguards to ensure that the Scheme is managed in line with the defined investment objectives and in compliance with SEBI (MF) Regulations. The AMC will monitor the tracking error on an ongoing basis and review the performance against the benchmark index and peer group regularly.

All investment decisions, relating to the Scheme, will be undertaken by the AMC in accordance with the Regulations and the investment objectives specified in this SID. All investment decisions taken by the AMC in relation to the Scheme shall be recorded.

The Investment Management Committee (IMC) consisting of senior employees including the MD of the AMC to oversee the Investment function, will be responsible for laying down the broad Investment Policy and the Specific scheme mandates, in addition to monitoring scheme performance and reviewing portfolio strategy. The risk control parameters would be laid down for each scheme based on the objectives of the scheme and prudent fund management practices will ensure that investor monies are invested in the appropriate risk/reward environment. The AMC would ensure that investments are made in accordance with the regulatory / internal guidelines, if any. Internal guidelines may be set by the AMC from time to time and reviewed in line with the market dynamics.

The designated Fund manager of the scheme will be responsible for taking the day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.

The Scheme performance would be benchmarked to NIFTY 500 index. The fund reserves the right to change the said benchmark and/or adopt one/more other benchmarks to compare the performance of the Scheme.

In case of investments in debt instruments, 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 requisite credit evaluation of the securities. Rated Debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, CARE, ICRA and Fitch or any other rating agencies that may be registered with SEBI from time to time.

The AMC may approach rating agencies such as CRISIL, ICRA, etc for ratings of the scheme. The Scheme may use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interests.

The Scheme may invest in other Schemes managed by the AMC or in the Schemes of any other Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments and the aggregate inter-Scheme investment made by all Schemes of Shriram Mutual Fund or in the Schemes under the management of other asset management companies shall not exceed 5% of the net asset value of the Shriram Mutual Fund. The limit however does not apply to any Fund of Funds scheme. For the present, the Scheme does not intend to enter into underwriting obligations. However, if the Scheme does enter into an underwriting agreement, it would do so after complying with the Regulations.

INVESTMENTS IN DERIVATIVE INSTRUMENTS

Brief note on investment in derivative instruments

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

For detailed derivative strategies, please refer to SAI.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

On the basis of investment objective of the scheme and in line with the relevant circulars & clarifications, 'NIFTY 500 TRI value' has been currently selected as the benchmark of the scheme. Since the scheme will invest mainly in Equity & equity related securities diversified over various sectors, NIFTY 500 TRI value index is the most appropriate index for the scheme.

NIFTY 500 TRI value is a well-diversified stock index accounting for various, sectors of the economy. It is a popular and widely followed benchmark to track the performance of Indian equity markets. It is a diversified index and captures most of the sectors from which portfolio might be constructed.

The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to the Regulations and other prevalent guidelines.

E. WHO MANAGES THE SCHEME?

| Name | Age & Qualification | Previous Experience | Managing Scheme Since | Other Funds Managed |
|----------------------------------|---|---|-----------------------|--|
| Mr. Deepak Ramaraju | 45 Years Bachelor of Engineering - (BE -Chemical Engineering) | Mr. Deepak Ramaraju comes with a diverse experience of over 21 years. He is a chemical engineer by academic background. Prior to joining Shriram Asset Management Company Ltd., Mr. Deepak was advising Sanlam Group of South Africa on their India focused fund and was part of their global equity research team. He has been associated with equity markets for the past 17 years and prior to that Mr. Deepak was a researcher and co inventor at GE India Technology Center, Bangalore with 10 patents as co-inventor to his credit. | 2 Years | Shriram Aggressive Hybrid Fund Shriram ELSS Tax Saver Fund Shriram Balanced Advantage Fund Shriram Overnight Fund Shriram Multi Asset Allocation Fund Shriram Nifty 1D Rate Liquid ETF Shriram Liquid Fund |
| Ms. Gargi Bhattacharyya Banerjee | 45 Years MBM, B.Sc | Ms. Gargi Bhattacharyya Banerjee has an experience of over 22 years in her professional career. She joined as Research Manager in Shriram Asset Management Company Limited in November 2012. Prior to joining Shriram Asset Management Company Limited, she has held the key positions (Research Head) with Zacks Research Private Limited and Shriram Insight Share Brokers Limited. | 6 Years | Shriram Aggressive Hybrid Fund Shriram ELSS Tax Saver Fund Shriram Balanced Advantage Fund Shriram Overnight Fund Shriram Multi Asset Allocation Fund Shriram Nifty 1D Rate Liquid ETF Shriram Liquid Fund |
| Mr. Sudip Suresh More | 44 years B.E. (EXTC), MMS (Finance), FRM (Garp Certified) | Mr. Sudip has around 19 years of experience in managing Fixed Income Investments, Macroeconomic Research and Credit Analysis. Prior to this assignment, Mr. Sudip was Debt Fund Manager at Kshema General Insurance Company. Additionally, he has also worked with Sahara India Life Insurance Company Ltd as a Debt Fund Manager whereby managing ULIP and Traditional funds on Fixed Income side. | 1 month | Shriram Aggressive Hybrid Fund Shriram ELSS Tax Saver Fund Shriram Overnight Fund Shriram Multi Asset Allocation Fund Shriram Nifty 1D Rate Liquid ETF Shriram Balanced Advantage Fund Shriram Liquid Fund |

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

Following is the list of existing open – ended Equity Schemes of the fund

1. Shriram ELSS Tax Saver Fund

Please refer <https://www.shriramamc.in/investor-statutory-disclosures> for comparative Table

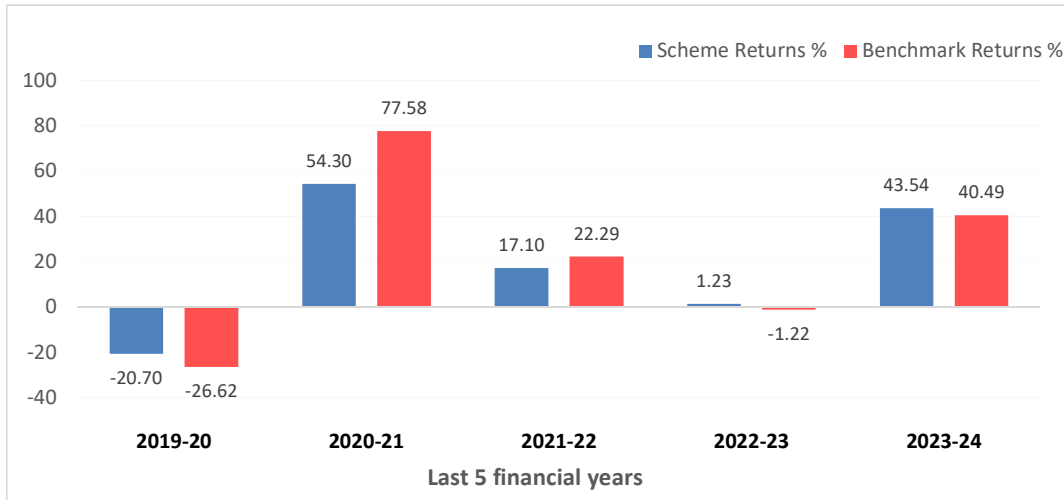
G. HOW HAS THE SCHEME PERFORMED

The performance of the Scheme “Shriram Flexi Cap Fund” as on October 31, 2024 is given below:

| Compounded Annualised Returns | Direct Plan | | Regular Plan | |
|-------------------------------|------------------|---------------------|------------------|---------------------|
| | Scheme Returns % | Benchmark Returns % | Scheme Returns % | Benchmark Returns % |
| Returns for the last 1 year | 36.43 | 36.33 | 34.11 | 36.33 |
| Returns for the last 3 years | 15.20 | 15.74 | 13.18 | 15.74 |
| Returns for the last 5 years | 16.78 | 19.75 | 14.71 | 19.75 |
| Returns since inception | 15.58 | 17.37 | 13.53 | 17.37 |

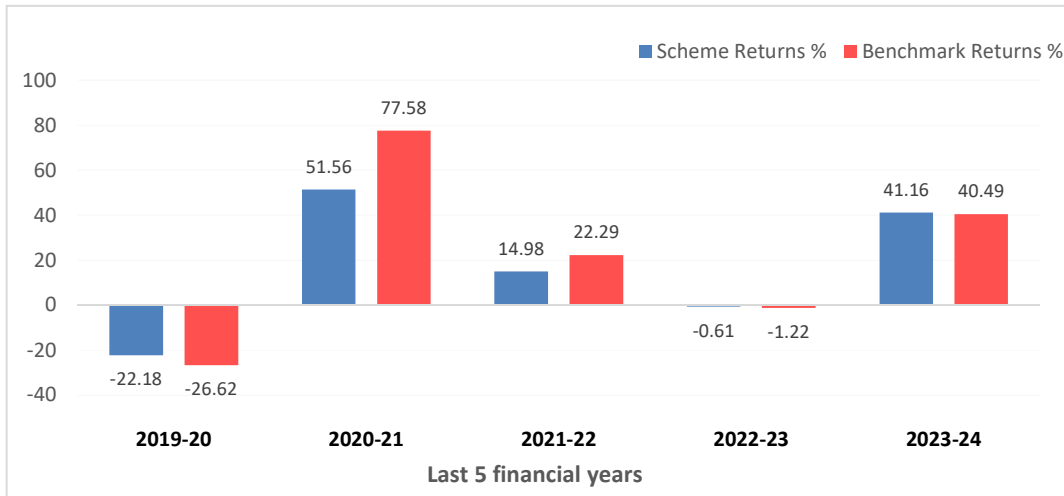
Since Inception: 28 September 2018

Direct Plan –



Absolute Returns for each financial year for the last 5 years

Regular Plan



Absolute Returns for each financial year for the last 5 years

H. ADDITIONAL SCHEME RELATED DISCLOSURES

- i. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors)
For details, please refer to the website of the Mutual Fund at <https://www.shriramamc.in/investor-statutory-disclosures>
- ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds: Not applicable
- iii. Portfolio Disclosure - Monthly/&Half Yearly
For details, please refer to the website of the Mutual Fund at <https://www.shriramamc.in/investor-statutory-disclosures>
- iv. Portfolio Turnover Rate particularly for equity oriented schemes 827.3%
- v. Aggregate investment in the Scheme by:

Scheme's Fund Manager

| Sr. No. | Concerned scheme's Fund Manager(s) | Net Value | | Market Value (in Rs.) |
|---------|------------------------------------|-----------------------------|------------------------------------|-----------------------|
| | | Units Held as on 31.10.2024 | NAV per unit as on 31.10.2024 (Rs) | |
| 1. | Mr. Deepak Ramaraju | 27,504.001 | 24.1718 | 6,64,821.21 |
| 2. | Ms. Gargi Bhattacharyya Banerjee | 12,692.298 | 24.1718 | 3,06,795.69 |
| 3. | Mr. Sudip More | 761.938 | 24.1718 | 18,417.41 |

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

- vi. Investments of AMC in the Scheme –For details, please refer to the website of the Mutual Fund at <https://www.shriramamc.in/investor-statutory-disclosures>

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

As per sub-regulation 17 in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 ('MF Regulations'), The asset management company shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011.

Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme.

Part III - OTHER DETAILS

A. COMPUTATION OF NAV

Illustration on Computation of NAV

Assume that the Market or Fair Value of Scheme's investments is Rs. 1,00,000; Current asset of the scheme is Rs. 25,000; Current Liabilities and Provisions is Rs. 15,000 and the No. of Units outstanding under the scheme are 5,000. Thus, the NAV will be calculated as:

$$\text{NAV} = 100000 + 25000 - 15000 / 5000 = 22$$

Therefore, the NAV of the scheme is Rs. 22

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:

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

The NAV of the Scheme(s) will be calculated and disclosed at the close of every Business Day. Separate NAVs will be calculated and announced for each Plans / Options.

The NAV of the Scheme(s) will be calculated up to 4 decimals. Units will be allotted up to 3 decimals.

The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and shall be subject to such regulations as may be prescribed by SEBI from time to time.

Pursuant to Regulation 49 (3) the repurchase Price of the units of an open ended scheme will not be lower than 95% of the NAV. Any imposition or enhancement of Load in future shall be applicable on prospective investments only.

For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc, kindly refer SAI

B. NEW FUND OFFER (NFO) EXPENSES

This section does not apply to the Scheme, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption

C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that up to 2.25 % 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.

| Nature Of expense | % Daily net assets for Equity oriented funds # |
|--|--|
| Investment Management and Advisory Fee | Upto 2.25% |
| Trustee Fee | |
| Custodian Fees | |
| Registrar and Transfer Agent Fees | |
| Audit Fees | |
| Marketing and Selling Expenses including agents' commission | |
| Costs related to investor communications | |
| Costs of Statutory Advertisement | |
| Brokerage & Transaction Cost over and above 0.12 percent and 0.05 percent for cash and derivative market trades respectively | |
| Cost of fund transfer from location to location | |
| Cost of providing account statements and IDCW redemption cheques and warrants | |
| Goods and Services Tax on expenses other than investment and advisory fees | |
| Goods and Services Tax on brokerage & transaction cost | |
| Cost towards investor education & awareness (at least 2 bps) | |
| Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)(*) | |
| Additional expenses under regulation 52 (6A) (c) | Upto 0.05% |
| Additional expenses for gross new inflows from specified cities under regulation 52(6A)(b)^*** | Upto 0.30% |

(*) Excluding GST on investment and advisory fees.

Note: Direct Plan shall have a lower expense ratio as compared to Regular plan excluding distribution expenses, commission, etc & no commission for distribution of units will be paid / charged under Direct Plan.

The NAV of Direct Plan & Regular Plan shall be different.

^ 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:

*** Note: clause 10.1 of SEBI Master Circular dated June 27, 2024 has directed AMCs to keep B30 incentive structure in abeyance with effect from March 01, 2023 till further notice.

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

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

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

Notes:

- Pursuant to SEBI Notification dated December 13, 2018, the maximum total expenses of the scheme under Regulation 52(6)(c) shall be subject to following limits

| Assets Under Management Slab (In Rs. crore) | Total expense ratio limits for equity oriented schemes* |
|---|---|
| on the first Rs. 500 crores of the daily net assets | 2.25% |
| on the next Rs. 250 crores of the daily net assets | 2.00% |
| on the next Rs. 1,250 crores of the daily net assets | 1.75% |
| on the next Rs. 3,000 crores of the daily net assets | 1.60% |
| on the next Rs. 5,000 crores of the daily net assets | 1.50% |
| on the next Rs. 40,000 crores of the daily net assets | Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof. |
| on the balance of the assets | 1.05% |

** excluding additional limit of 0.05 % specified in sub regulation (6A)(c) of Regulation 52 of SEBI (Mutual Funds) Regulations, 1996.

- In addition to the expenses indicated above, the scheme will also bear
 - the GST on investment management & advisory fees
 - 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-
 - 30 per cent of gross new inflows in the scheme, or;
 - 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

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

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

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.
- Brokerage & transaction costs (including Goods and Services Tax) which are incurred for the purpose of execution of trade may be capitalised to the extent of 12bps and 5bps for cash market transactions and derivatives transactions respectively. Goods and Services Tax on brokerage and transaction cost paid for execution of trades shall be within the limit prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps 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 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the asset management company or by the trustee or sponsors.
- AMC shall annually set apart at least 2 basis point on daily net assets for investor's education and awareness initiatives.
- The investor should refer to the website of the mutual fund for the latest expense ratio of the scheme.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations.

D. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or 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.shriramamc.in) or may call your distributor.

| Type of Load | Load chargeable (as %age of NAV) |
|--|--|
| Exit Load Redemption/switch-out/Transfer/ Systematic Withdrawal Plan | If redeemed / switched-out within 90 days from the date of allotment:- <ul style="list-style-type: none"> • Upto 12% of units: Nil • More than 12% of units: 1% of applicable Net Asset Value (NAV) If redeemed/switched-out after 90 days from the date of allotment: Nil |

Illustration on how exit load is chargeable:

Suppose if an investor is allotted 100 units on 1st April, 2018 and again another 50 units on 5th April, 2018 then the exit load shall be charged as under:

If such units i.e. 150 units, as held by the investor, are redeemed on or before 29th June, 2018: Exit load shall be charged in the following manner:

- On 12 % of the units i.e. $150 \times 12\%$ i.e. 18 units: **NIL**
- On more than 12% of such units i.e. $(100+50) - 12\%$ i.e 132 units: **1% of applicable NAV**

If such units redeemed on or after 30th June, 2018: Exit load shall be charged in the following manner:

- On 100 units (i.e. on units allotted on April 01, 2018): **NIL** (as redeemed after 90 days from the date of allotment)
- On balance 50 units exit load shall be chargeable as:
 - on 12 % of such units i.e. 6 units: **NIL**
 - on more than 12% of such units i.e. $50 - 12\%$ i.e 44 units : **1% of applicable NAV**

If such units redeemed on or after 4th July, 2018, Exit load shall be charged in the following manner:

- On 100 units: **NIL**(as redeemed after 90 days from the date of allotment)
- On 50 units (i.e. on units allotted on 5th April, 2018): **NIL** (as redeemed after 90 days from the date of allotment) Goods and Services Tax on exitload, if any, shall be paid out of the exit load proceeds and exit load net of Goods and Services Tax, if any, shall be credited to the scheme.

The investor is requested to check the prevailing load structure of the scheme before investing. For any change in load structure AMC will inter alia issue an addendum and display it on the website / Investor Service Centers.

Any imposition or enhancement of Load in future shall be applicable on prospective investments only. AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of IDCW for existing as well as prospective investors. At the time of changing the Load Structure:

1. The addendum detailing the changes will be attached to SIDs and Key Information Memorandum. The addendum may be circulated to all the distributors / brokers so that the same can be attached to all Scheme Information Documents and Key Information Memoranda already in stock.
2. The addendum will be displayed on the website of the Mutual Fund and arrangements will be made to display the addendum in the form of a notice in all the Investor Service Centres and distributors /brokers' office.
3. The introduction of the exit load along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the accounts statement issued after the introduction of such load.
4. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
5. Any other measure which the Mutual Fund may consider necessary.
 1. Penalties and action(s) taken against foreign Sponsor(s) limited to the jurisdiction of the country where the principal activities (in terms of income/ revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Also, top 10 monetary penalties of foreign sponsor(s) during the last three years.
Nil
 2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.
Nil
 3. Details of all enforcement actions(Including the details of violation, if any) taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Board of Trustees /Trustee Company were/ are a party. The details of the violation shall also be disclosed.
Nil
 4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.
Nil
 5. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or notified by any other regulatory agency shall also be disclosed.
Nil

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.shriramamc.in) or may call your distributor

I. Introduction**A. Definitions/interpretation**

Investors may refer to below link for definitions/interpretations.

https://cdn.shriramamc.in/uploads/Statutory-disclosure/Offer-Documents/Data/Definitions.pdf?_gl=1*15v0van*_gcl_au*MTkyMTYzODQ4Ni4xNzZMwMjcxNjE1*_ga*MjA1MDQxMzU1NS4xNzZMwMjcxNjE1*_ga_TR4QNMVZKQ*MTczMjY5NjU5MS43MS4xLjE3MzI2OTY2MzAuMC4wLjA

B. Risk factors**I. Scheme Specific I Risk Factors :**

Some of the specific risk factors related to the scheme include but are not limited to the following :

1. The performance of the scheme may be affected by the corporate performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.
2. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the scheme's investments. Transacting may become difficult due to extreme volatility in the market resulting in constriction in volumes. Additionally, changes in the SEBI/ RBI regulations/Guidelines may have an adverse impact on the liquidity of the scheme. Different segments of the Indian financial markets have different settlement periods, and such period may be extended significantly by unforeseen circumstances. The length of time for settlement may affect the Scheme in the event the Scheme has to meet an inordinately large number of redemption requests. In addition, the Trustee at its sole discretion reserves the right to limit or withdraw sale and/or repurchase/redemption and/or switching of the units in the scheme (including any one of the Plans of the scheme) temporarily or indefinitely under certain circumstances. For details refer the Section '**Right to limit redemptions**'. The scheme will retain certain investments in cash or cash equivalent for the day to day liquidity requirements.

II. Risk associated with investments in equities and equity related instruments :

Investments in equity and equity related instruments involve a degree of risk, both company specific and market risks and thus investors should not invest in the Scheme unless they can afford to take the risk of losing their investment.

The scheme will predominantly invest in equity and equity related securities diversified over various sectors. Thus, any price fluctuation for these securities may adversely affect the NAV of the units issued under the Scheme. The same may also lead to out-performance or under-performance of the scheme against Nifty 500 TRI value which is the benchmark index for the scheme.

Equity and Equity Related Instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of Equity and Equity Related Instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, economic or other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units issued under the Scheme may be adversely affected.

Equity and Equity Related Instruments listed on the stock exchange carry lower liquidity risk; however the Scheme's ability to sell these investments is limited by the overall trading volume 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's 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.

The Scheme may invest in securities which are not listed on the stock exchanges. These securities may be illiquid in nature and carry a higher amount of liquidity risk, in comparison to securities that are listed on the stock exchanges or offer other exit options to the investor. The liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

III. Risks associated with Fixed Income Securities:

The following are the risks associated with investment in Fixed Income securities:

Interest-Rate Risk: Fixed income securities such as government bonds, corporate bonds, Money Market Instruments and Derivatives run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the level at which the security is being traded.

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

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

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

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

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

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

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.

IV. Risks associated with Investing in Derivatives:

Systematic Risk: Systematic Risk is the risk associated with the entire market. Unlike unsystematic risk, it is not linked to a specific security or sector. Systematic risk is a market risk which can be due to macro-economic factors, news events, etc.

Mark to Market Risk: This risk is on account of day to day fluctuations in the underlying Security and its derivative instrument, which can adversely impact the portfolio.

Credit Risk: The credit risk is the risk that the counter party will default in its obligations and is generally small as in a Derivative transaction there is generally, no exchange of the principal amount.

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

Basis Risk: When a security is hedged using a Derivative, the change in price of the security and the change in price of the Derivative may not be fully correlated leading to basis risk in the portfolio.

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

Model Risk: The risk of mis-pricing or improper valuation of Derivatives.

Trade Execution: Risk where the final execution price is different from the screen price, leading to dilution in the spreads and hence impacting the profitability of the reverse arbitrage strategy.

Systemic Risk: For Derivatives, especially OTC ones the failure of one Counter Party can put the whole system at risk and the whole system can come to a halt.

The scheme may invest in various derivative products in accordance with and to the extent permitted under the regulations from time to time.

Derivatives are financial contracts of pre-determined fixed duration, like stock Futures /options and index futures and options, whose values are derived from the value of an underlying primary financial instrument such as: Equities, Interest rates, Exchange rates and Commodities.

Derivative products are specialized instruments that require investment techniques and risk analysis which are different from those associated with stocks and other traditional securities.

Derivatives are highly leveraged instruments and a small price fluctuation in the underlying can have a larger impact on its value. Thus, its use can lead to disproportionate gains or losses to the portfolio. Execution of derivatives instruments depends on the ability of the fund manager to identify good opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

"The risks associated with the use of Derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments."

V. Risks associated with Short Selling & Securities Lending:

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

Short-selling is the sale of shares or securities that the seller does not own at the time of trading. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock/security he shorted and returns the stock/security to the lender to close out the loan. The inherent risks are Counterparty risk and liquidity risk of the stock/security being borrowed. The security being short sold might be illiquid or become illiquid and covering of the security might occur at a much higher price level than anticipated, leading to losses.

VI. Risks for Writing Covered Call Options for Equity Shares:

A call option gives the holder (buyer) the right but not the obligation to buy an asset by a certain date for a certain price. Covered calls are an options strategy where a person holds a long position in an asset and writes (sells) call options on that same asset to generate an income stream. The Scheme may write call options under covered call strategy, as permitted by the regulations.

Risks associated thereto are mentioned below:

- a. Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares. This downside risk is reduced by writing covered call options.
- b. The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.
- c. The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss.
- d. The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the scheme. This may restrict the ability of Scheme to buy any options.

C. Risk mitigation strategies

Concentration Risk:

The Scheme will try and mitigate this risk by investing in large number of companies so as to maintain optimum diversification and keep stock-specific concentration risk relatively low.

Liquidity Risk:

As such the liquidity of stocks that the fund invests into could be relatively low. The fund will try to maintain a proper asset-liability match to ensure redemption / Maturity payments are made on time and not affected by illiquidity of the underlying stocks.

Risks Associated with Equity Investments:

The scheme has a diversified portfolio to counter the volatility in the prices of individual stocks. Diversification in the portfolio reduces the impact of high fluctuations in daily individual stock prices on the portfolio.

Risks Associated with Debt & Money Market Instruments

Credit Risk – The fund has a rigorous credit research process. There is a regulatory and internal cap on exposure to each issuer. This ensures a diversified portfolio and reduced credit risk in the portfolio.

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.

Risks Associated with Repo in Corporate Debt

1) Illiquidity Risk

The repo market for corporate debt securities is over the counter (OTC) and illiquid. Hence, repo obligations cannot be easily sold to other parties. Therefore, to mitigate such risks, it has been stipulated that gross exposure to Repo in corporate bonds would be limited to 10% of net assets of the concerned scheme. Further, the tenor of repo would be taken based on nature and unit holders' pattern of the scheme.

2) Counter-party risk

Credit risk would arise if the counter-party fails to repurchase the security as contracted or if counterparty fails to return the security or interest received on due date. To mitigate such risks, the schemes shall carry out repo transactions with only those counterparties, which has a credit rating of 'A1+' or 'AA- and above'. In case of lending of funds as a repo buyer, minimum haircuts on the value of the collateral security have been stipulated, and we would receive the collateral security in the scheme's account before the money is lent to the counter-party. Overall, we would have a limited number of counter-parties, primarily comprising of Mutual Funds, Scheduled Commercial banks, Financial Institutions and Primary dealers. Similarly, in the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter-party may hurriedly dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to the Scheme. Thus, the Scheme may suffer losses in such cases. Sufficient funds flow management systems are in place to mitigate such risks.

3) Collateral Risk (as a repo buyer)

Collateral risks arise due to fall in the value of the security (change in credit rating and/or interest rates) against which the money has been lent under the repo arrangement. To mitigate such risks, we have stipulated the minimum credit rating of the issuer of collateral security. ('AA' for long-term instruments/A1+ for money market instruments), maximum duration of the collateral security (10 years) and minimum haircuts on the value of the security.

Risks associated with investing in Tri-Party Repo through CCIL (TREPS)

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Triparty Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilized to complete the settlement. The sequence in which the above resources are used is known as the "Default Waterfall". As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). However, it may be noted that a member shall have the right to submit resignation from the membership of the Security segment if it has taken a loss through replenishment of its contribution to the default fund for the segments and a loss threshold as notified have been reached. The maximum contribution of a member towards replenishment of its contribution to the default fund in the 7 days (30 days in case of securities segment) period immediately after the afore-mentioned loss threshold having been reached shall not exceed 5 times of its contribution to the Default Fund based on the last re-computation of the Default Fund or specified amount, whichever is lower. Further, it may be noted that, CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral."

Risk Mitigation measures for investments in equity / equity related instruments

- The Scheme's portfolio comprises equity holdings (dynamically allocated across all the three categories of market capitalization). The portfolio will therefore be invested in large, mid and small cap stocks which together will be a minimum of 65% of the portfolio. The fund then has the flexibility of investing the balance 35% into either of the three market cap category stocks or invest in debt and debt related instruments will aid in managing volatility and also aid with reasonable liquidity.
- The Scheme endeavors to have a diversified equity portfolio comprising stocks across various sectors of the economy to reduce sector specific risks.

- Any investments in debt securities would be undertaken after assessing the associated credit risk, interest rate risk and liquidity risk.

The Scheme will also invest in debt securities and money market instruments.

- The credit quality of the portfolio will be maintained and monitored using in-house research capabilities as well as inputs from external sources such as independent credit rating agencies.
- The investment team will primarily use a top down approach for taking interest rate view, sector allocation along with a bottom up approach for security/instrument selection.
- The bottom-up approach will assess the quality of security/instrument (including the financial health of the issuer) as well as the liquidity of the security.
- Investments in debt instruments carry various risks such as interest rate risk, reinvestment risk, credit risk and liquidity risk etc. Whilst such risks cannot be eliminated, they may be minimized through diversification.

Risk is an inherent part of the investment function. Effective risk management is critical to fund management for achieving financial soundness. Investments by the Scheme shall be made as per the investment objective of the Scheme and provisions of SEBI (MF) Regulations. AMC has incorporated adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep it in line with the investment objective of the Scheme. The risk control process involves identifying & measuring the risk through various Risk Measurement Tools like but not limited to calculating risk ratios, tracking error etc. The AMC has implemented Bloomberg as the Front Office and Settlement System (FOS). The system has incorporated all the investment restrictions as per SEBI guidelines and "soft" warning alerts at appropriate levels for preemptive monitoring. The system enables identifying & measuring the risk through various risk measurement tools like various risk ratios, average duration and analyzes the same so as to act in a preventive manner.

The risk control measures for managing the debt portion of the scheme are:

1. Monitoring risk adjusted returns performance of the fund with respect to its peers and its benchmark.
2. Tracking analysis of the fund on various risk parameters undertaken by independent fund research / rating agencies or analysts and take corrective measures if needed.
3. Credit analysis plays an important role at the time of purchase of bond and then at the time of regular performance analysis. Our internal research anchors the credit analysis. Sources for credit analysis include Capital Line, CRISIL, ICRA updates etc. Debt ratios, financials, cash flows are analysed at regular intervals to take a call on the credit risk.
4. We define individual limits for G-Sec, money market instruments, MIBOR linked debentures and corporate bonds exposure, for diversification reasons.

The Scheme does not propose to underwrite issuances of securities of other issuers.

II. Information about the scheme

A. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme will be invested in Equity and equity related instruments, debt, money market instruments and other permitted instruments, which will include but not limited to:

- a) Equity and Equity linked instruments of domestic companies / corporations.
- b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government.
- d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time.
- e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, triparty repo on Government securities or treasury bills, and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
- f) Domestic derivatives.
- g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time.

Any other domestic debt and money market instruments that may be available from time to time.

Any other instrument as may be permitted under the Regulations from time to time.

Investments in other schemes

The scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investments made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund.

INVESTMENTS IN DERIVATIVE INSTRUMENTS

Brief note on investment in derivative instruments

As part of the Fund Management process, the Trustee may permit the use of derivative instruments such as index futures, stock futures and options contracts, warrants, convertible securities, swap agreements, Forward Rate Agreement (FRA) or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the scheme.

Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures/options can be an efficient way of achieving the scheme's investment objective. On the fixed income side, an interest rate swap agreement from fixed rate to floating rate is an example of how derivatives can be an effective hedge for the portfolio in a rising interest rate environment.

Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on Stock Exchanges whereas OTC derivative transactions are generally structured between two counterparties.

Derivatives may be high risk - high return instruments, upon leveraging. As they are highly leveraged, a small price movement in the underlying security could have a large impact on their value and may also result in a loss.

Position Limits:

The schemes may enter into derivative transactions in line with the guidelines prescribed by SEBI from time to time. The schemes may take exposure in derivatives up to a maximum of 50% of its AUM. These limits will be reviewed by the AMC from time to time.

Currently, the position limits for Mutual Funds and its schemes, as permitted by the SEBI Regulations, are as under:

The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme. Exposure due to hedging positions may not be included in the above mentioned limit subject to the following:

- Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
- Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned above.
- Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
- The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
- Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned above.

Further, the total exposure related to option premium paid must not exceed 20% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

Mutual Funds shall not write options or purchase instruments with embedded written options.

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

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

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

1. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 1000 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
2. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

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 :

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

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 modified in the following manner : -

1. For stocks having applicable market-wise position limit (MWPL) of Rs.500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs.300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.
2. For stocks having applicable market-wise position limit (MWPL) less than Rs.500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs.50 crore whichever is lower.

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 a sub-account of a FII. Therefore, the scheme-wise position limit/disclosure requirements shall be -

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

Or

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

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

Valuation :

The traded derivatives shall be valued in accordance with the valuation method specified for traded securities (other than money market & debt securities) under sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.

The valuation of untraded derivatives shall be done in accordance with the valuation method specified for non-traded securities (other than money market & debt securities) 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.

B. WHAT ARE THE INVESTMENT RESTRICTIONS?

i. Investment Restrictions

Investment restrictions as contained in the Seventh Schedule to SEBI (Mutual Funds) Regulations, 1996 and applicable to the Scheme is provided below -

1. As per Para 12.8.3.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. A mutual fund scheme shall not invest more than:
 - a) 10% of its NAV in debt and money market securities rated AAA; or
 - b) 8% of its NAV in debt and money market securities rated AA; or
 - c) 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustee and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of MF Regulation.

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and triparty repo on Government securities or treasury bills.

Provided further that investments 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 such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.
2. The scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments.

Provided that the scheme may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the scheme subject to such conditions as may be specified by the Board from time to time.

Provided further that the scheme shall comply with the norms under this clause within the time and in the manner as may be specified by the Board from time to time.

Provided further that the norms for investments by mutual fund schemes in unrated debt instruments shall be specified by the Board from time to time.
3. No Mutual Fund under all its schemes should own more than 10% of any company's paid up capital carrying voting rights.
4. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if,-
 - (a) Such transfers are done at the prevailing market price for quoted instruments on spot basis. In the absence of a traded price, price derived from the last valuation yield shall be used. [Explanation :- "Spot basis" shall have same meaning as specified by stock exchange for spot transactions;]
 - (b) The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
5. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of Seventh Schedule to the Regulations.
6. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities.

Provided further that the mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
7. No mutual fund scheme shall invest more than 10% of its NAV in the equity shares or equity related instruments of any company.
8. The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
9. Pending deployment of the funds of the Scheme in securities in terms of the investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI pursuant to Para 12.16 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 and such other guidelines as may be issued from time to time in this regard.
10. The Scheme shall not make any investment in,-
 - (a) Any unlisted security of an associate or group company of the sponsor; or
 - (b) Any security issued by way of private placement by an associate or group company of the sponsor; or
 - (c) The listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
11. The Scheme shall not make any investment in any fund of funds scheme.
12. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of Repurchase/Redemption of Unit or payment of interest and/or IDCW to the Unit holder.

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.
13. All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
14. 1. As per Para 12.24 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 "The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme."
 2. The Scheme shall not write options or purchase instruments with embedded written options. However, pursuant to Para 12.25.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the scheme shall write call options only under a 'covered call strategy' subject to the conditions as mentioned in the said circular.

Covered Call Strategy: Covered call is a strategy that combines owning underlying asset, along with the option contract of underlying asset. In this strategy we hold a long position in cash in a security and at the same time we writes (Sell) the call option on the same security to generate income through premiums.

This strategy works well when market is looking mildly bullish or almost neutral and holding a underlying security is not looking to make good profit in near term, so we will sell call option to generate extra return from this underlying security.

Investment Restrictions on writing call options:

Mutual Fund schemes (excluding ETFs and Index funds) can write Call options under a covered strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

- a. The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.
- b. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
- c. At all points of time the Mutual Fund scheme shall comply with the provisions at points (a) and (b) above. In case of any passive breach of the requirement at paragraph (a) above, the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.
- d. In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.
- e. In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
- f. The premium received shall be within the requirements prescribed in terms of SEBI circular dated August 18, 2010 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
- g. The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of clause g. of Para 12.25.8 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.
- h. The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired.

➤ Under Derivatives Strategy:

Writing call options under Covered Call strategy:

A call option gives the holder (buyer) the right but not the obligation to buy an asset by a certain date for a certain price. Covered calls are an options strategy where a person holds a long position in an asset and writes (sells) call options on that same asset to generate an income stream. The Scheme may write call options under covered call strategy, as permitted by Regulations.

Benefits of using Covered Call strategy in Mutual Funds:

The covered call strategy can be followed by the Fund Manager in order to hedge risk thereby resulting in better risk adjusted returns of the Scheme. This strategy is also employed when the Fund Manager has a short-term neutral view on the asset and for this reason holds the asset long and simultaneously takes a short position via covered call option strategy to generate income from the option premium. The strategy offers the following benefits:

- a. Hedge against market risk - Since the fund manager sells a call option on a stock already owned by the mutual fund scheme, the downside from fall in the stock price would be lower to the extent of the premium earned from the call option.
- b. Generating additional returns in the form of option premium in a range bound market. Thus, a covered call strategy involves gains for unit holders in case the strategy plays out in the right direction

Illustration – Covered Call strategy using stock call options:

Suppose, a fund manager buys equity stock of ABC Ltd. For Rs. 1000 and simultaneously sells a call option on the same stock at a strike price of Rs. 1100. The scheme earns a premium of say, Rs. 50. Here, the fund manager does not think that the stock price will exceed Rs. 1100.

Scenario 1: Stock price exceeds Rs. 1100

The call option will get exercised and the fund manager will sell the stock to settle his obligation on the call at Rs. 1100 (earning a return of 10% on the stock purchase price). Also, the scheme has earned a premium of Rs. 50 which reduced the purchase cost of the stock (Rs. 1000 – Rs. 50 = Rs. 950). Net Gain – Rs. 150

Scenario 2: Stock prices stays below Rs. 1100

The call option will not get exercised and will expire worthless. The premium earned on call option will generate alpha for the scheme. Net Gain-Rs. 50.

Risks for writing covered call options for equity shares

- a. Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares. This downside risk is reduced by writing covered call options.
- b. The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.
- c. The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss.
- d. The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the scheme. This may restrict the ability of Scheme to buy any options.
 3. The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.
 4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
 - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
 - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - d. 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.

5. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
6. Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

| Position | Exposure |
|---------------|---|
| Long Future | Futures Price * Lot Size * Number of Contracts |
| Short Future | Futures Price * Lot Size * Number of Contracts |
| Option bought | Option Premium Paid * Lot Size * Number of Contracts. |

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

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

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

- ii. 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.
- iii. **Investments in other schemes**

According to the Clause 4 of Schedule 7 read with Regulation 44(1), of the SEBI (MF) Regulations, 1996: "A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investments made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund."

iv. AMC's investments in the Scheme

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

As per sub-regulation 17 in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 ('MF Regulations'), The asset management company shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011:

Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme.

The Trustee/AMC may alter these above stated restrictions of Section I - (What Are the Investment Restrictions) from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme(s) to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective.

C. FUNDAMENTAL ATTRIBUTES

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

(i) Type of the scheme

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

(ii) Investment Objective

The primary investment objective of the scheme is to generate long term capital appreciation by investing in an actively managed portfolio predominantly consisting of Equity & equity related securities diversified over various sectors. There is no assurance that the investment objective of the Scheme will be achieved. The Scheme does not assure or guarantee any returns.

Main Objective - Growth & Income

• Investment pattern

Asset allocation:

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

| Instruments | Indicative Allocation (% of total assets) | |
|--|--|---------|
| | Maximum | Minimum |
| Equity, Equity related instruments including Derivatives # | 100 % | 65% |
| Debt & Money Market Instruments # | 35% | 0% |

Portfolio Rebalancing due to Short Term Defensive Consideration:

Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations as per para 1.14.1.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024, and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation.

(iii) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption as indicated in this SID.
- Aggregate fees and expenses charged to the scheme - : For detailed fees and expenses charged to the scheme please refer to section-I Part - III 'C – Annual Scheme Recurring Expenses'.
- 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 IDCW.

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:

An application has been made with SEBI and comments of SEBI have been received before carrying out any fundamental attribute change:

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.

D. Other Scheme Specific Disclosures:

| | |
|--------------------------------------|---|
| Listing and transfer of units | <p>Listing:</p> <p>The Units of the Scheme are presently not proposed to be listed on any stock exchange. However, the Fund may at its sole discretion list the Units under the Scheme on one or more Stock Exchanges at a later date, and thereupon the Fund will make a suitable public announcement to that effect.</p> <p>Transfer of units:</p> <p>In accordance with SEBI circular number CIR/IMD/DF/10/2010 dated August 18, 2010 all units of Shriram Flexi Cap Fund to be held in electronic (demat) form, will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time.</p> <p>If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units.</p> <p>Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Fund subject to production of satisfactory evidence.</p> <p>Transfer of units held in Non-Demat [Statement of Account ('SOA')] mode:</p> <p>Pursuant to the provisions of AMFI Best Practices Guidelines Circular No.116 /2024-25 dated August 14, 2024, units held by individual unitholders in Non-Demat ('SoA') mode can be transferred under the following categories:</p> <ol style="list-style-type: none">Surviving joint holder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s).A Nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee;A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s) <p>Partial transfer of units held in a folio shall be allowed. However, if the balance units in the transferor's folio falls below specified threshold / minimum number of units as specified in the SID, such residual units shall be compulsorily redeemed, and the redemption amount will be paid to the transferor.</p> <p>If the request for transfer of units is lodged on the record date, the IDCW payout/ reinvestment shall be made to the transferor.</p> <p>To mitigate the risk, redemption of the transferred units shall not be allowed for 10 days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently.</p> <p>Pre-requisites:</p> <ol style="list-style-type: none">The surviving unit holder /nominee/minor unitholder who has turned major, should be registered as the rightful unitholder of the units in the folio to be eligible to apply for transfer of units held in SOA mode;There should be no "lien" or freeze on the units being transferred for any reason whatsoever. Also, the Units should not be under any lock-in period.The transferee(s) should mandatorily be an individual / individual(s) with a valid folio in the mutual fund in which the transferor wishes to transfer the units. The Transferee should hold KYC validated status with valid PAN, CBS account details, email address and mobile Number. Transferee should mandatorily have submitted duly completed Nomination form or Opt-out declaration. Transferee should be eligible to hold the Units as per the respective SID and fulfill any other regulatory requirement as may be applicable.The primary holder, Plan, Option, and the ARN (in case of Regular Plan) in the transferor's Folio shall remain unchanged upon transfer of units in the transferee folio. <p>Payment of Stamp duty on Transfer of Units:</p> <ol style="list-style-type: none">The Stamp duty for transfer of units, if/where applicable, shall be payable by the transferor.For calculation of the amount of stamp duty, the consideration value will be calculated as per the last available NAV (irrespective of the amount of consideration mentioned by the transferor in the transfer request). <p>The stamp duty if/where applicable, shall be collected by the RTAs from the transferor through online mode by ensuring that the payment is received from the bank account registered in the folio.</p> |
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|--|--|
| Dematerialization of units | <p>Investors shall have an option to receive allotment of Mutual Fund units in their demat account while subscribing to the Scheme in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time.</p> <p>Investors desirous of having the Units of the Scheme in dematerialized form should contact the ISCs of the AMC/Registrar.</p> <p>Where units are held by investor in dematerialized form, the demat statement issued by the Depository Participant would be deemed adequate compliance with the requirements in respect of dispatch of statements of account.</p> <p>In case investors desire to convert their existing physical units (represented by statement of account) into dematerialized form or vice versa, the request for conversion of units held in physical form into Demat (electronic) form or vice versa should be submitted along with a Demat/Remat Request Form to their Depository Participants.</p> <p>In case the units are desired to be held by investor in dematerialized form, the KYC performed by Depository Participant shall be considered compliance of the applicable SEBI norms.</p> <p>Units held in Demat form are freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the Depository Participant in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.</p> <p>The demat option is provided to all schemes and options of Shriram Mutual Fund except for all daily and weekly IDCW options under all debt and liquid schemes. For details, Investors may contact any of the Investor Service Centres of the AMC.</p> |
| Minimum Target amount (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.) | Not Applicable |
| Maximum Amount to be raised (if any) | No cap on maximum amount. |
| Dividend Policy (IDCW) | <p>The IDCW Policy for the scheme will be in line with the guidelines laid down by SEBI through para 11.6.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 the procedure for which will be as follows: -</p> <ol style="list-style-type: none"> Quantum of IDCW and the record date shall be fixed by the trustees in their meeting. IDCW so decided shall be paid, subject to availability of distributable surplus and at the discretion of the AMC. 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 IDCWs. Further, the NAV shall be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date. Within one calendar day of the decision by the trustees, AMC shall issue notice to the public communicating the decision including the record date. In terms of Para 11.6.1.3 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 the record date shall be two working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier. The payment of IDCW to the unitholders shall be made within seven working days from the record date. Interest for the period of delay in transfer of IDCW shall be payable to unitholders at the rate of 15% per annum along with the proceeds of IDCW. Such Interest shall be borne by AMC. Such notice shall be 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. The notice shall, in font size 10, bold, categorically state that pursuant to payment of IDCW, the NAV of the scheme would fall to the extent of payout and statutory levy (if applicable). Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever may be issued by any mutual fund or distributors of its products. <p>The requirement of giving notice shall not be applicable for Income Distribution cum Capital Withdrawal options having frequency of IDCW distribution from daily up to monthly IDCW. There is no assurance or guarantee to the Unit holders as to the rate of IDCW nor that will the IDCW be paid regularly.</p> |

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| Allotment (Detailed procedure) | <p>Allotment of Units will be made to the eligible applicants under the Scheme who comply with the terms of the scheme.</p> <p>Allotment of units will be made to all the applicants provided the applications are complete in all respects. [Fractional units will be allotted up to two decimals]. However, acceptance of application and allotment of units / fractional units will be at the absolute discretion of the Trustees and the application can be rejected without assigning any reason whatsoever.</p> <p>Date of subscription at the notified centres is deemed to be the date of allotment for claiming tax benefits under the Scheme, provided the application has not been rejected by the Fund subsequently for the reasons explained above.</p> |
| Refund | Not Applicable |
| <p>Who can invest</p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p> | <ol style="list-style-type: none"> 1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Hindu Undivided Family (HUF) through Karta; 3. Minor through parent / legal guardian; 4. Partnership Firms; 5. Proprietorship in the name of the sole-proprietor; 6. Companies, Bodies Corporate, Public Sector Undertakings (PSUs), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860 (so long as the purchase of Unit is permitted under the respective constitutions); 7. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions; 8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as "Public Securities" as required) and Private trusts authorized to invest in mutual fund schemes under their trust deeds; 9. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs) residing abroad on repatriation basis or on non- repatriation basis; 10. Foreign Institutional Investors (FIIs) and their subaccounts registered with SEBI on repatriation basis; 11. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 12. Scientific and Industrial Research Organizations; 13. Multilateral Funding Agencies/Bodies Corporate incorporated outside India with the permission of Government of India / RBI 14. Provident/ Pension/ Gratuity Fund to the extent they are permitted; 15. Other schemes of SHRIRAM Mutual Fund or any other Mutual Fund subject to the conditions and limits prescribed by SEBI Regulations; 16. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme. 17. QFIs through dematerialized account mode and unit confirmation receipt mode as specified in SEBI circular no. CIR/IMD/DF/14/2011 dated, August 9, 2011. <p>The list given above is indicative and the applicable law, if any, shall supersede the list.</p> <p>Note:</p> <ol style="list-style-type: none"> 1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India 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 under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy duly notarized or the relevant resolution or authority to make the application as the case may be, or duly notarized copy thereof, along with a certified copy of the Memorandum and Articles of Association and/or bye-laws and / or trust deed and/ or partnership deed and Certificate of Registration should be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. In case of a Trust / Fund it shall submit a resolution from the Trustee(s) authorizing such purchases and redemptions. Applications not complying with the above are liable to be rejected. 3. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. 4. The Trustee, reserves the right to recover from an investor any loss caused to the Schemes on account of dishonor of cheques issued by the investor for purchase of Units of this Scheme. 5. 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 Unit holders to accept such an application. 6. Process for Investments made in the name of a Minor through a Guardian (Para 17.6.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024) <ol style="list-style-type: none"> a. Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only. b. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. |
| Who cannot invest | <ol style="list-style-type: none"> 1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA) except where registered with SEBI as a FII or sub account of FII or otherwise explicitly permitted under FEMA/ by RBI/ by any other applicable authority. 2. Pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds. 3. Such other persons as may be specified by Mutual Fund from time to time. <p>The Mutual Fund reserves the right to include / exclude new/existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.</p> |

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| How to Apply | <ol style="list-style-type: none"> 1. Application form shall be available from either the Investor Service Centers (ISCs)/Official Points of Acceptance (OPAs) of AMC or may be downloaded from the website of AMC www.shriramamc.in 2. List of official points of acceptance, collecting banker details etc. shall be available at last page of the document 3. Details of the Registrar and Transfer Agent (R&T), official points of acceptance, collecting banker details etc. are available on back cover page. <p>Investors are required to note that it is mandatory to mention their bank account numbers in their applications/requests for redemption.</p> |
| Where can you submit the filled up applications | <p>The unitholder should submit the transaction slip for a purchase / redemption/switch at any of the Designated Investor Service Centres of RTA or AMC branches designated as ISCs. Alternatively, investors may also submit through online mode. Details provided in Section II.</p> |
| The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same. | <p>The number of Units held by the Unit Holder in his folio will stand reduced by the number of Units Redeemed. Units once redeemed will be extinguished and will not be re-issued.</p> |

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| <p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p> | <p>Pledge of Units For Loans</p> <p>The Units can be pledged by the Unit holders as security for raising loans subject to the conditions of the lending institution. The Registrar will take note of such pledge (by marking a lien etc.) / charge in its records. Disbursement of such loans will be at the entire discretion of the lending institution and the fund assumes no responsibility thereof.</p> <p>The pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorisation to the fund that the pledge/lien charge may be removed. As long as Units are pledged, the pledgee will have complete authority to redeem such Units. Decision of the AMC shall be final in all cases of lien marking.</p> <p>Suspension Of Redemption / Repurchase Of Units And IDCW Distribution</p> <p>The Mutual Fund at its sole discretion reserves the right to withdraw repurchase or switching of Units of the Scheme, temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and /or suitable investment opportunities are not available for deployment of funds. However, the suspension of repurchase/switching either temporarily or indefinitely will be with the approval of the trustee. The AMC reserves the right in its sole discretion to withdraw the facility of switching out of the Scheme, temporarily or indefinitely. Further, the AMC & Trustee may also decide to temporarily suspend determination of NAV of the Scheme offered under this Document, and consequently redemption of Units, declaration and distribution of IDCW in any of the following events:</p> <ol style="list-style-type: none"> 1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays. 2. 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 is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders. 3. In the event of a 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 Registrar. 7. During the period of Book Closure. 8. If so directed by SEBI. <p>In the above eventualities, the time limits indicated above, for processing of requests for redemption of Units and/or distribution of IDCW will not be applicable. Further an order to purchase units is not binding on and may be rejected by the Trustee, the AMC or their respective agents until it has been confirmed in writing by the AMC or its agents and payment has been received. The suspension or restriction of repurchase/redemption facility under the scheme shall be made applicable only after the approval of the Board of Directors of the Asset Management Company and the Trustee and the details of the circumstances and justification for the proposed action shall be informed to SEBI in advance.</p> <p>Right to Limit Purchase & Redemptions</p> <p>In terms of the Para 1.12 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024</p> <ol style="list-style-type: none"> a. Restriction on redemption may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as: <ol style="list-style-type: none"> i. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. AMCs should have in place sound internal liquidity management tools for schemes. Restriction on redemption cannot be used as an ordinary tool in order to manage the liquidity of a scheme. Further, restriction on redemption due to illiquidity of a specific security in the portfolio of a scheme due to a poor investment decision, shall not be allowed. ii. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies. iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems. b. Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period. c. Any imposition of restriction would require specific approval of Board of AMCs and Trustees and the same should be informed to SEBI immediately. d. When restriction on redemption is imposed, the following procedure shall be applied: <ol style="list-style-type: none"> i. No redemption requests upto INR 2 lakh shall be subject to such restriction. ii. Where redemption requests are above INR 2 lakh, AMCs shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction. <p>The AMC reserves the right to reject the further subscription/ application for units of the Scheme on an on-going basis, depending on the prevailing market conditions and to protect the interest of the Investors. Such change will be notified to the Investors by display of notice at various investor service centres of AMCs and its website.</p> |
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| <p>Cut off timing for subscriptions/redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p> | <p>The below cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day:</p> <p>For Purchase (including switch-in) of any amount:</p> <ul style="list-style-type: none"> • In respect of valid applications received upto 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the Scheme before the cut-off time - the closing NAV of the day shall be applicable. • In respect of valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme either on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable. • Irrespective of the time of receipt of application, where the funds for the entire amount are credited to the bank account of the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. <p>For Switch-ins of any amount: For determining the applicable NAV, the following shall be ensured:</p> <ul style="list-style-type: none"> • Application for switch-in is received before the applicable cut-off time. • Funds for the entire amount of subscription / purchase as per the switch-in request are credited to the bank account of the Scheme before the cut-off time. • The funds are available for utilization before the cut-off time. • In case of 'switch' transactions from one scheme to another, the allocation shall be in line with redemption payouts. To clarify, for investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization by the Target Scheme irrespective of the installment date of the SIP, STP, etc. In case of switch transactions, funds will be made available for utilization in the switch- in scheme based on redemption payout cycle of the switch out scheme. <p>Repurchase / Redemptions including Switch-outs or Reverse Sweep:</p> <ol style="list-style-type: none"> a. Where the valid applications is received upto 3.00 pm at the Official Point of Acceptance, same day closing NAV shall be applicable; and b. Where the valid application is received after 3. 00 pm at the Official Point of Acceptance, the closing NAV of the next business day shall be applicable. As per the existing procedure, the applications will be time stamped in accordance with the SEBI Guidelines. <p><u>Switch Transactions:</u></p> <p>Valid application for "switch out" shall be treated as redemption & for "switch in" shall be treated as purchases & the relevant NAV of "Switch in" & "Switch Out" shall be applicable accordingly. Above cut off timings shall also be applicable to investments made through Sweep mode. Outstation cheques/demand drafts will not be accepted.</p> <p>As per the existing procedure, the applications will be time stamped in accordance with the SEBI Guidelines. The Trustee reserves the right to change / modify the aforesaid requirements at a later date in line with SEBI directives from time to time.</p> |
| <p>Where can the applications for purchase/redemption switches be submitted?</p> | <p>The unitholder should submit the transaction slip for a purchase / redemption/switch at any of the Designated Investor Service Centres of RTA or AMC branches designated as ISCs. Alternatively, investors may also submit through online mode. Details provided in Section II.</p> |
| <p>Minimum amount for purchase/redemption/ switches (mention the provisions for ETFs, as may be applicable, for direct subscription/ redemption with AMC.)</p> | <p>Minimum amount for purchase/Switch in Rs. 5,00/- and in multiples of Re 1/- thereafterMinimum Additional Purchase Amount Rs. 500/- and in multiples of Re. 1/- thereafterMinimum Redemption Amount/Switch Out Minimum Redemption - Rs. 1000/- or 100 Units or account balance whichever is lower in respect of each Option. In case the Investor specifies the number of Units and amount both, the number of Units shall be considered for Redemption. In case the Unit holder does not specify the number or amount, the request will not be processed.</p> <p>Note: In accordance with the regulatory requirement, the minimum application amount and minimum redemption amount will not be applicable for investment made in schemes of the Fund in compliance with the Para 6.10 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024</p> |
| <p>Minimum balance to be maintained and consequences of non-maintenance</p> | <p>There is no minimum balance requirement.</p> |
| <p>Mandatory Updation of Know Your Customer (KYC) requirements for processing of mutual fund transactions</p> | <p>It is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor. Accordingly, Financial transactions (including redemptions, switches and all types of systematic plans) and non-financial transaction requests will not be processed if the unit holders have not completed KYC as per the extant KYC guidelines.</p> <p>Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the Investor Service Centre/Official Point of Acceptance. Further, upon updation of PAN details with the KRA (KRAKYC)/CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent their PAN information along with the folio details for updation in our records.</p> <p>Permanent Account Number (PAN) is mandatory for all the purchases/additional purchases irrespective of the amount of investments for all the existing and prospective investors (including NRIs) including joint holders and guardians in case of investments by Minors.</p> <p>Exempted investors are required to provide alternate proof of identity in lieu of PAN for KYC purposes and are allotted PAN-exempt KYC Reference Number (PEKRN). No investments (Systematic transaction, lumpsum, redemption) shall be permitted in such folios wherein PAN/ PEKRN details are not available.</p> <p>In addition to the above details, the AMC shall ensure compliance with the requirements of SEBI Master Circular dated October 12, 2023 on 'Know Your Client (KYC) norms for the securities market' and any further clarifications</p> |

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| | <p>issued by SEBI/AMFI in this regard from time to time.</p> <p>Email Communication: If the investor has provided an email address, the same will be registered in Shriram Asset Management Company Limited ("Shriram AMC") records and will be treated as his consent to receive allotment confirmations, account statement, annual report/abridged summary and any statutory/other information as permitted via electronic mode/email.</p> |
| <p>Accounts Statements</p> | <p><u>For normal transactions (other than SIP/STP) during ongoing sales and repurchase:</u></p> <p>The process of allotment of Units in demat or physical mode (as opted by the investor / unit holder in the application form) and sending of allotment confirmation by way of email and / or Short Messaging Service (SMS) (if the mobile number is not registered under Do Not Call Registry) specifying the number of units will be completed within 5 Business Days from the date of closure of the NFO period.</p> <ul style="list-style-type: none"> • The unit holder may request for a physical account statement by writing/calling the AMC/ISC/R&T. The AMC will issue the same within 5 working days. <p>For SIP / STP transactions:</p> <ul style="list-style-type: none"> • SIP/STP Account Statements will be dispatched on monthly basis through monthly CAS. • A soft copy of the Account Statement shall be mailed to the investors under SIP/STP to their e-mail address on a monthly basis, if so mandated. • However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer. • In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP) to the investors within 5 working days from the receipt of such request without any charges. <p>Annual Account Statement:</p> <ul style="list-style-type: none"> • 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. <p>Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.</p> |

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| | <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>As a green initiative measure, SEBI vide its circular no. SEBI/HO/MRD-PoD2/CIR/P/2024/93 dated July 01, 2024 has specified that the CAS shall be despatched by email to all the investors whose email addresses are registered with the Depositories and AMCs/MF-RTAs. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs. The depositories shall also intimate the investor on quarterly basis through the SMS mode specifying the email id on which the CAS is being sent.</p> <p>For further details, refer SAI.</p> |
| Dividend/ IDCW | The payment of IDCW to the unitholders shall be made within seven working days from the record date. |
| Redemption | <p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024</p> <p>In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the redemption proceeds shall be directly credited to their account. In case of any units jointly held by more than one unit holder the payment of the income and redemption proceeds will be made in the name of first named joint unit holder. In case of redemption request by FIIs, the income and redemption proceeds will be made to FII by crediting the same in accounts in India. In terms of the Para 14.1.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 the transfer of redemption or repurchase proceeds to the unitholders shall be made within three working days from the date of redemption or repurchase (however, in case of exceptional situations specified by AMFI in its letter no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023 additional timelines allowed in the said AMFI letter shall be considered for transfer of redemption or repurchase proceeds to the unitholders).</p> |
| Bank Mandate | <p>Pursuant to Para 14.12 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 it is mandatory for investors to mention their bank account number in their application/request for redemption. The AMC/Mutual Fund provides a facility to the investors to register multiple bank accounts (upto 5 for Individuals and 10 for Non-Individuals) for receiving redemption/IDCW proceeds etc. by providing necessary documents. As per SEBI Circular No. MRD/DoP/Cir-05/2007 dated April 27, 2007, it is now mandatory that Permanent Account Number (PAN) issued by the Income Tax Department would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. Accordingly investors will be required to furnish a copy of PAN together with request for fresh purchases, additional purchases and systematic investments registration (SIP) (SIP in case the aggregate investment is more than Rs. 50,000 p.a.). All SIP applications with total investments of Rs 50,000 or more in one financial year are classified as "Normal SIP" and PAN is mandatory for all such applications. However if the total investment is less than Rs. 50,000/-, in one financial year it is classified as Micro SIP. Pursuant to the requirement of SEBI circular dated June 19, 2009, investor participating only in micro-pension i.e Micro SIP, may not be required to obtain PAN and for unique KRA no document to be submitted. Eligible Investors are required to undergo Know Your Customer (KYC) procedure with any of the SEBI registered KYC Registration Agency (KRA). Eligible Investors must attach a copy of the KYC acknowledgement letter containing the PAN Exempt KYC Reference No (PEKRN) issued by the KRA along with the application form. Eligible investors must hold only one PEKRN.</p> <p>Further, with the amendments made by the Central Government with respect to the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, It has become mandatory to submit Aadhaar/ Letter of Allotment for Aadhaar and PAN by the new investors along with the account opening forms.</p> <p>Application Forms without these information and documents will be considered incomplete and are liable to be rejected without any reference to the investors. The procedure implemented by the AMC and the decisions taken by the AMC in this regard shall be deemed final.</p> <p>In case of Micro schemes such as Micro SIPs upto Rs. 50,000/- per year per investor the additional documents are required to be submitted by the investor:</p> <ol style="list-style-type: none"> (i) Standard specified identification instruments like Voter ID card, Government/Defense ID card, Card of Reputed employer, Driving License, Passport in lieu of PAN as mentioned in the Scheme Information Document. (ii) Copy of Proof of address. It is clarified that where identification documents photo contains the address of the investor, a separate proof of address is not required. (iii) Supporting documents copy shall be self-attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority. <p>In case of Investments from Investors residing in Sikkim the documents required to be submitted by the investor:</p> <ul style="list-style-type: none"> * Proof of address of Sikkim state and application form should mention the same address. * Address proof shall be self attested by the investor / attested by the ARN holder mentioning the ARN or attested by any competent authority. |
| Delay in payment of redemption /repurchase proceeds/dividend | 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). |
| Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount | The treatment of Unclaimed Redemption and IDCW amount shall be as per para 14.3 of Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. For details refer SAI. |

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| <p>Disclosure w.r.t investment by minors</p> | <ul style="list-style-type: none"> • Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. • Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified account of the minor i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities. • The AMC will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'. • All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account. <p>No investments (lumpsum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age.</p> |
| <p>Investments in Scheme by AMC, Sponsor & Associates</p> | <p>Subject to the Regulations, the AMC and investment companies managed by the Sponsor(s), their associate companies and subsidiaries may invest either directly or indirectly, in the Scheme during the NFO and/or on ongoing basis. However, the AMC shall not charge any investment management fee on such investment in the Scheme, in accordance with sub-regulation 3 of Regulation 24 of the Regulations and shall charge fees on such amounts in future only if the SEBI Regulations so permit. The associates, the Sponsor, subsidiaries of the Sponsor and/or the AMC may acquire a substantial portion of the Scheme's units and collectively constitute a major investment in the Schemes. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time and required by applicable regulations and also in accordance with Clause 6.11 of SEBI Master Circular for Mutual Funds dated June 27, 2024, regarding minimum number of investors in the Scheme.</p> <p>In terms of SEBI notification dated August 5, 2021 and as per Regulation 25, sub-regulation 16A of SEBI (Mutual Funds) Regulations, the asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the Board from time to time.</p> |

III. OTHER DETAILS

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

| | |
|--|---|
| <p>Portfolio Disclosures: 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 advertisement.</p> | <p>Pursuant to the Para 5.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. The AMC shall disclose portfolio (along with ISIN) as on the last day of the month / half-year for the scheme on AMC website and on the website of AMFI within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spread sheet format.</p> <p>In case of unit holders whose e-mail addresses are registered, the Mutual Fund/ AMC shall send via email both the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month/ half-year respectively. Mutual Fund/ AMC shall publish an advertisement every half-year disclosing the hosting of the half-yearly statement of its scheme portfolio on the AMC website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unit holder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.</p> <p>Mutual Fund/ AMC shall provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder.</p> <p>For further details, please refer to the website of the Mutual Fund at https://www.shriramamc.in/investor-statutory-disclosures</p> |
| <p>Half Yearly Results</p> | <p>The mutual fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated.</p> <p>These shall also be displayed on the web site of the Fund and that of AMFI.</p> <p>For further details, please refer to the website of the Mutual Fund at https://www.shriramamc.in/investor-statutory-disclosures</p> |
| <p>Annual Report</p> | <p>Pursuant to Para 5.4 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.</p> <p>The scheme wise annual report shall be hosted on the website of the Mutual Fund/ AMC and on the website of AMFI. The Mutual Fund/ AMC shall display the link prominently on the AMC website and make the physical copies available to the unit holders, at the registered offices at all times.</p> <p>Mutual Fund/ AMC shall e-mail the scheme annual reports or abridged summary thereof to those unit holders, whose email addresses are registered with the Mutual Fund, unless specified otherwise.</p> <p>Mutual Fund/ AMC shall publish an advertisement every year disclosing the hosting of the scheme wise annual report on the AMC website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.</p> <p>Mutual Fund/ AMC shall provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unit holder.</p> <p>For further details, please refer to the website of the Mutual Fund at https://www.shriramamc.in/investor-statutory-disclosures</p> |
| <p>Scheme Summary Document (SSD)</p> | <p>In accordance with Paragraph 1.2 of SEBI Master on Mutual Funds dated May 19, 2023, Scheme summary document for all schemes of Mutual Fund in the requisite format (pdf, spreadsheet and machine readable format) shall be uploaded on a monthly basis i.e. 15th of every month or within 5 Business days from the date of any change or modification in the scheme information on the website of the AMC i.e. www.shriramamc.in and AMFI i.e. www.amfiindia.com and Registered Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.</p> |
| <p>Risk-o-meter</p> | <p>In accordance with circular no. SEBI/HO/IMD/DF3/CIR/P/2020/197 dated October 5, 2020 the risk-o-meter will be disclosed along with monthly portfolio and on annual basis on the website of the AMC and AMFI. Further, the same will also be disclosed in the Annual Report in the format specified in the circular. Further in accordance with SEBI circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/555 dated April 29, 2021 and circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/621 dated August 31, 2021 the risk-o-meter of the scheme, name of the benchmark and risk-o-meter of the scheme shall be disclosed along with the monthly and half yearly portfolios sent via email to the investors.</p> <p>In addition to the above, the AMC shall disclose the following in all disclosures, including promotional material or that stipulated by SEBI:</p> <ol style="list-style-type: none"> risk-o-meter of the scheme wherever the performance of the scheme is disclosed. risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed. |
| <p>Monthly Average Asset under Management (Monthly AAUM) Disclosure</p> | <p>The Mutual Fund shall disclose the Monthly AAUM under different categories Schemes as specified by SEBI in the prescribed format on a monthly basis on its website and forward to AMFI within 7 working days from the end of the month.</p> |

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

The AMC will calculate and disclose the first NAV of the respective plans not later than 5 business days from the date of allotment of the respective plans. The Mutual Fund shall prominently disclose the Net asset value of the scheme one very business day under a separate head on the website of the AMC "www.shriramamc.in" as well as on AMFI's website "www.amfiindia.com" (by the time limit for uploading NAV as per applicable guidelines). 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. NAV shall be calculated on all business days. In addition, the NAV, Sale and Repurchase rates for all business days will be available at our Branch Offices. Further, Mutual Fund/ AMC shall extend facility of sending latest available NAVs to unit holders through SMS, upon receiving a specific request in this regard.

D. Transaction charges and stamp duty- Indicate only the amount of transaction charges and stamp duty applicable. Details to be provided in SAI.

Transaction Charges: In accordance with Para 10.5.1 of SEBI Mutual Funds Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, Transaction Charge per subscription of Rs.10,000/- and above shall be charged from the investors and shall be payable to the distributors/ brokers in respect of applications routed through distributor/ broker relating to Purchases / subscription / new inflows only (lump sum and SIP), subject to the following:

- For Existing / New investors: Rs.100 / Rs.150 as applicable per subscription of Rs.10,000/- and above
- Transaction charge for SIP shall be applicable only if the total commitment through SIP amounts to Rs.10,000/- and above. In such cases the transaction charge would be recovered in maximum 4 successful installments.
- There shall be no transaction charge on subscription below Rs.10,000/-.
- There shall be no transaction charges on direct investments.

- There shall be no transaction charges for transaction other than purchases/subscriptions relating to new inflows such as Switches, etc.
 - Transactions carried out through the Stock Exchange platforms for mutual funds shall not be subject to transaction charges.
- However the distributors shall have an option to either "Opt-in/Opt-out" from levying transaction charge based on the type of product. Therefore, the "Opt-in/Opt-out" status shall be at distributor level, basis the product selected by the distributor at the Mutual Fund industry level.

The Transaction Charge as mentioned above shall be deducted by the AMC from the subscription amount of the Unit Holder and paid to the distributor and the balance shall be invested in the Scheme. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.

The requirement of minimum application amount shall not be applicable if the investment amount falls below the minimum amount required due to deduction of transaction charges from the subscription amount.

The AMCs shall be responsible for any malpractice/mis-selling by the distributor while charging transaction costs.

Stamp Duty: Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020, issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019, issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @0.005% of the transaction value would be levied on applicable mutual fund transactions, with effect from July 1, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase / switch-in transactions (including Reinvestment of Income Distribution cum capital withdrawal option) to the unitholders would be reduced to that extent.

E. Associate Transactions - Please refer to Statement of Additional Information (SAI)

F. Taxation - For details on taxation please refer to the clause on Taxation in the SAI apart from the following:

I. Tax Rates for Mutual Fund Investors

| EQUITY ORIENTED FUNDS (other than Equity Oriented Fund of Funds) (Subject to STT ^{14&15}) | | | | | |
|---|--------------------------------|------------------------|---|--|--|
| Tax Status of Investor | Capital Gains Tax ² | | Tax on Distributed Income under Dividend Option | TDS on Capital Gains ^{18,19} | TDS ^{18,19} on Distributed Income Dividend Option |
| | Short Term | Long Term | | | |
| Resident Individual / HUF / AOP / BOI / Domestic Companies | 15%/20% ³ | 10%/12.5% ⁴ | At the applicable Tax slab rate | NIL | 10% ¹² |
| N R I s ⁴ | | | | | |
| | | | | STCG - 15%/20% ³ LTCG - 10%/12.5% ⁴ | 20% ¹³ |

| SPECIFIED MUTUAL FUND ^{5&6} | | | | | |
|--|--|-----------|---|---------------------------------------|--|
| Tax Status of Investor | Capital Gains Tax ⁵ | | Tax on Distributed Income under Dividend Option | TDS on Capital Gains ^{18,19} | TDS ^{18,19} on Distributed Income Dividend Option |
| | Short Term | Long Term | | | |
| Resident Individual / HUF / AOP / BOI / Domestic Companies | At the applicable Tax slab rate | NA | At the applicable Tax slab rate | NIL | 10% ¹² |
| | 15%/22% ^{8&9} /25% ¹⁰ /30% | | | | |
| N R I s ⁴ | At the applicable Tax slab rate | | | STCG - 30% | 20% ¹³ |

| OTHER MUTUAL FUNDS | | | | | |
|--|---|---|---|--|--|
| Tax Status of Investor | Capital Gains Tax ⁷ | | Tax on Distributed Income under Dividend Option | TDS on Capital Gains ^{18,19} | TDS ^{18,19} on Distributed Income under Dividend Option |
| | Short Term | Long Term | | | |
| Resident Individual / HUF / AOP / BOI / Domestic Companies / Firms | At the applicable Tax slab rate | 20%/12.5% ¹¹ | At the applicable Tax slab rate | NIL | 10% ¹² |
| | 15%/ 22% ^{8&9} / 25% ¹⁰ / 30% | | | | |
| N R I s ¹⁷ | At the applicable Tax slab rate | 20%(Listed Units)/10%(Unlisted Units)/12.5% ¹¹ | | STCG – 30% LTCG – 20%(Listed Units)/10%(Unlisted Units)/12.5% ¹¹ | 20% ¹³ |

Tax & TDS are subject to applicable Surcharge and Health & Education Cess at the rate of 4%. Please see the Notes below

NOTES:

1. Provided that the mutual fund units are held as capital assets.
2. Capital gains arising on the transfer or redemption of equity-oriented units held for a period of more than 12 months, immediately preceding the date of transfer, should be regarded as 'long-term capital gains'.

Further, cost of acquisition to compute long-term capital gains is to be higher of (a) Actual cost of acquisition; and (b) Lower of (i) fair market value as on 31 January 2018; and (ii) full value of consideration received upon transfer.

3. As per section 111A of the Income-tax Act, 1961 (the Act) short-term capital gains on transfer of units before 23 July 2024 of EOFs shall be taxable @15% and for transfer on or after 23 July 2024 shall be taxable @20%.
4. As per section 112A of the Act, long-term capital gains, exceeding ₹ 1,25,000, on transfer of units of EOFs before 23 July 2024 shall be taxable at the rate of 10% and on transfer of units on or after 23 July 2024 shall be taxable at the rate of 12.5% provided transfer of such units is subject to STT, without giving effect to first and second proviso to section 48 i.e., without taking benefit of foreign currency fluctuation and indexation benefit.
5. Finance Act 2023 has introduced section 50AA which provides that any gains on transfer / redemption of units of specified mutual funds acquired on or after 1 April 2023 are deemed as short-term capital gains. For the purposes of section 50AA, "specified mutual fund" means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.

An "equity-oriented fund" which invests in units of another fund instead of investing directly in equity shares of domestic company may be regarded as "specified mutual fund" as per section 50AA of the Act and taxed accordingly.

As per the Finance (No. 2) Act 2024 (applicable from financial year 2025-26) the "specified mutual fund" means:

- a mutual Fund by whatever name called, which invest more than sixty five percent of the total proceeds in debt and money market instrument or;
- a fund which invests sixty five percent or more of its proceeds in units of fund referred to in sub-clause (a)

For this purpose, "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India (SEBI).

Accordingly, as per the amended definition, which is applicable from FY 2025-26, only debt oriented mutual fund schemes (including fund of fund) should be covered within the ambit of section 50AA of the Act.

6. Various Categories of MF Schemes which fall under "Specified Mutual Funds" for FY 2024-25

Fund of funds as defined under the "Equity Oriented Fund" definition under section 112A of the Act

Liquid Funds /Money Market Funds / Income Funds (Debt Funds) / Gilt Funds

Gold ETFs / Bond ETF / Liquid ETF

Fund Of Funds (Domestic)

Fund Of Funds Investing Overseas

Infrastructure Debt Funds

7. Capital gains arising on transfer or redemption of Units of schemes other than EOF and other than specified mutual fund as per section 50AA of the Act shall be regarded as long-term capital gains, if such units are held for a period of more than 12 months (in case of listed units)/24 months (in case of unlisted units) immediately preceding the date of such transfer (i.e. on or after 23 July 2024). If the transfer take place before 23 July 2024, then capital gains arising on transfer or redemption of such units shall be regarded as long-term capital gains, if such units are held for a period of more than 36 months.
8. If a company decides to opt for the new taxation regime as per the Taxation Law Amendment Act, 2019, then tax shall be levied at the rate of 22%. i.e., the lower rate of 22% is optional and subject to fulfilment of certain conditions as provided in section 115BAA.
9. As per section 115BAB, the new domestic manufacturing companies may opt for beneficial tax rate of 15% subject to prescribed conditions. Furthermore, the first proviso to Section 115BAB provides that any income which is not derived from nor is incidental to manufacturing or production of an article/ thing and in respect of which no specific tax rate is specified under Chapter XII of the Act, would be taxable at 22% and no deduction would be allowed while computing such income.
10. Tax shall be levied @ 25%, if the total turnover or gross receipts of the financial year 2022-23 does not exceed ₹ 400 crores. Further, the domestic companies are subject to minimum alternate tax (except for those who opt for lower rate of tax of 22%) not specified in above tax rates.
11. As per section 112 of the Act, any income arising from the transfer of long-term capital asset, which is chargeable under head capital gains shall be taxable at 20% with indexation benefit if the transfer takes place before 23 July 2024 and at 12.5% without indexation benefit if transfer take place on or after 23 July 2024.

As per section 112 of the Act, in case of NRIs, any income arising from the transfer of long-term capital asset, which is chargeable under head capital gains shall be taxable @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to first and second proviso to section 48 i.e., without taking benefit of foreign currency fluctuation and indexation benefit or @ 20% with indexation benefit if the transfer takes place before 23 July 2024. In case, if transfer takes place on or after 23 July 2024, such income shall be taxable @ 12.5% without indexation.

12. There shall be no TDS deductible if dividend income paid / credited in respect of units of a mutual fund is below ₹ 5,000 in a financial year.
13. Tax to be deducted at source at the rate of 20% or at the rate specified under the relevant double tax avoidance agreement, whichever is lower as per section 196A of the Act.
14. Securities Transaction Tax ("STT") is applicable only in respect of sale of units of Equity-oriented funds (EOFs) on a recognised stock exchange and on repurchase (redemption) of units of EOFs by the mutual fund. STT is not applicable in respect of purchase/ sale/ redemption of units of other schemes (other than EOFs).

15. Securities Transaction Tax (STT) in respect of Units equity-oriented mutual fund Schemes

| Transaction | Rates | Payable by |
|---|--------|----------------|
| Purchase of units of equity-oriented mutual fund | Nil | Not Applicable |
| Sale of units of equity-oriented mutual fund (delivery based) | 0.001% | Seller |
| Sale of units of equity-oriented mutual fund (non-delivery based) | 0.025% | Seller |
| Sale of units of an equity-oriented fund to the Mutual Fund | 0.001% | Seller |

16. Surcharge Rate as a percentage of Income-tax

| Tax Status | Income < ₹50 lakh | Income > ₹50 lakh but < /= ₹1 crore | Income > ₹1 crore but < /= ₹2 crore | Income > ₹2 crore but < /= ₹5 crore | Income > ₹5 crore |
|--|----------------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------|
| Individual / HUF/ AOP (resident & foreign)* | NIL | 10% | 15% | 25% | 37% |
| Tax Status | Income < /= ₹1 crore | Income > ₹1 crore, but < /= ₹10 crore | Income > ₹10 crore | - | - |
| Partnership Firm (Domestic / foreign) | NIL | 12% | 12% | - | - |
| Domestic company | NIL | 7% | 12% | - | - |
| Domestic company (opting for new tax regime) | NIL | 10% | 10% | - | - |
| Foreign company | NIL | 2% | 5% | - | - |

In addition, "Health and Education Cess" @ 4% shall be applicable on aggregate of base tax and surcharge.

* The surcharge rate applicable to capital gains taxable under section 112, 112A and 111A of the Act is capped to 15%.

*In case investor is opting for 'New Tax Regime' under section 115BAC (1A) of the Act, the rate of surcharge is capped at 25%.

** The surcharge rates in the case of an association of persons consisting of only companies as its members as under —

| Particulars | Rate |
|-----------------------------------|------|
| Income > ₹50 lakh but <= ₹1 crore | 10% |
| Income > ₹1 crore | 15% |

17. Non-resident individuals (NRI) shall be entitled to be governed by provisions of the applicable Tax Treaty, which India has entered with the country of residence of the NRI, if that is more beneficial than the provisions of the Act, subject to certain conditions. As per section 90(4) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate of being a resident of home country. Furthermore, as per section 90(5) of the Act, non-resident is also required to provide such other documents and information, as prescribed by CBDT, as applicable.
18. Relaxation to NRIs from deduction of tax at higher rate (except income distributed by mutual fund) in the absence of Permanent Account Number (PAN) is subject to the NRI providing specified information and documents. As per provisions of Section 206AA of the Act, if there is default on the part of a NRI (entitled to receive redemption proceeds from the Mutual Fund on which tax is deductible under Chapter XVII of the Act) to provide its PAN, the tax shall be deducted at higher of the following rates: i) rates specified in relevant provisions of the Act; or ii) rate or rates in force; or iii) rate of 20%. However, the provisions of section 206AA of the Act shall not apply, if the requirements as stated in Rule 37BC of the Income-tax Rules, 1962, are met.
19. Section 206AB of the Act provides for higher rate for TDS for the non-filers of income-tax return. The TDS rate in this section is higher of the following rates: i) twice the rate specified in the relevant provision of the Act; or ii) twice the rate or rates in force; or iii) the rate of five per cent. However, the said provision does not apply to a non-resident who does not have a permanent establishment in India and a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.

G. Rights of Unitholders - Please refer to SAI for details.

H. List of official points of acceptance:

Please visit the link 'https://www.shriramamc.in/contact-us#OPA_contact' for details

I. 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

For details, please refer to the website of the Mutual Fund at https://cdn.shriramamc.in/uploads/Statutory-disclosure/Offer-Document-Data/Penalties.pdf?_gl=1*4wzbbbr*_gcl_au*MTkyMTYzODQ4Ni4xNzMwMjcxNjE1*_ga*MjA1MDQxMzU1NS4xNzMwMjcxNjE1*_ga_TR4QNMVZKQ*M_TczMjY5NjU5MS43MS4xLjE3MzI2OTczNjAuMC4wLjA.

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

Note: The Scheme covered under this Scheme Information Document was approved by the Board of Trustees on 12.01.2018

For and on behalf of the Board of Directors of
Shriram Asset Management Company Limited

Sd/-
Kartik Jain
Managing Director & CEO

Place: Mumbai
Date: October 31, 2024

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SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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