



**SUNDARAM MUTUAL**

## SCHEME INFORMATION DOCUMENT

# Sundaram Balanced Advantage Fund

**An open ended dynamic asset allocation fund**

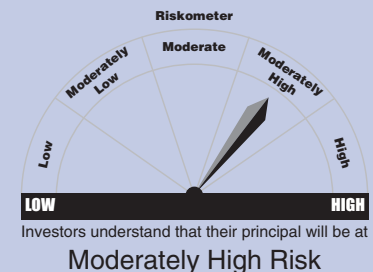
Offer of units at Rs 10 during the new fund offer period.

New Fund Offer opens	14/02/2020
New Fund Offer closes	28/02/2020
Scheme Re-Opened for Ongoing Subscription/Redemption	12/03/2020

### This product is suitable for investors who are seeking\*

- Income generation and Long term capital appreciation
- Investment in a dynamically managed asset allocation fund, consisting of a portfolio of equities, debt, derivatives and REITs/InvITs

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



Mutual Fund  
Trustee Company  
Asset Management Company  
Address  
Website

**Sundaram Mutual Fund**  
**Sundaram Trustee Company Limited**  
**Sundaram Asset Management Company Limited**  
**Sundaram Towers, I & II Floor, 46, Whites Road, Chennai - 600 014. India**  
**www.sundarammutual.com**

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996 as amended till date and filed with Securities and Exchange Board of India along with a Due Diligence Certificate from Sundaram Asset Management Limited. The units being offered for public subscription have not been approved or recommended by SEBI; SEBI has also not certified the accuracy or adequacy of the Scheme Information Document.

The Exchange has scrutinised this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund.

Every person who desires to apply for otherwise acquire any units of the Mutual Fund may do so pursuant to independent enquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever

The Scheme Information Document sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Investors should also ascertain about any further changes to this document after the date of this Document from the Mutual Fund/Investor Service Centres/Distributors/Brokers or visit [www.sundarammutual.com](http://www.sundarammutual.com).

Investors are advised to refer to the Statement of Additional Information (SAI) for details of Sundaram Mutual Fund, tax and legal issues and general information. The Statement of Additional Information is available at [www.sundarammutual.com](http://www.sundarammutual.com) and [www.amfindia.com](http://www.amfindia.com)

Statement of Additional Information is incorporated by reference and is legally a part of the Scheme Information Document. For a free copy of the current Statement of Additional Information, please contact your nearest Investor Service Centre or visit [www.sundarammutual.com](http://www.sundarammutual.com).

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

This Scheme Information Document is dated 01/01/2020.

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**Sundaram Mutual Fund**

**Trustee****Sundaram Trustee Company Limited**

CIN: U65999TN2003PLC052058

Corporate Office: Sundaram Towers, I &amp; II Floor, 46 Whites Road, Chennai 600 014 India

Phone : 044 28583362 Fax : 044 28583156

**Investment Manager****Sundaram Asset Management Company Limited**

CIN: U93090TN1996PLC034615

Corporate Office: Sundaram Towers, I &amp; II Floor, 46 Whites Road, Chennai 600 014 India

Phone : 044 28583362 Fax : 044 28583156

[www.sundarammutual.com](http://www.sundarammutual.com)**Sponsor****Sundaram Finance Limited**

CIN: L65191TN1954PLC002429

Registered Office: 21, Patullos Road,  
Chennai 600 002

India

[www.sundaramfinance.in](http://www.sundaramfinance.in)**Sponsor**

The Sponsor of Sundaram Mutual Fund is Sundaram Finance Limited. Sundaram Finance holds the entire paid capital of Sundaram Asset Management Company Limited and Sundaram Trustee Company Limited. A detailed background of the sponsor-Sundaram Finance Limited-is available in the Statement of Additional Information, which can be accessed at [www.sundarammutual.com](http://www.sundarammutual.com).

If you wish to reach indicated telephone number from outside India, please use +91 or 0091 followed by 44 and the eight number.

**Name of the Scheme**

Sundaram Balanced Advantage Fund.

**Scheme Type ( Fundamental Attribute)**

An open ended dynamic asset allocation fund

**New Fund Offer Period**

The Scheme will open for subscription on 14/02/2020 and close on 28/02/2020. (Maximum 15 days) The Trustee reserves the right to extend the new fund offer period within the prescribed limit. The NFO period shall not exceed 15 days in accordance SEBI regulation.

**New Fund Offer Price**

Rs. 10 per unit

**Investment Objective: (Fundamental Attribute)**

The investment objective of the Scheme is to provide accrual income and capital appreciation by investing in a mix of equity, debt, REITs/InvITs and equity derivatives that are managed dynamically.

**No Guarantee:** There is no guarantee or assurance that the investment objective of the scheme will be achieved. Investors are neither being offered any guaranteed / indicated returns nor any guarantee on repayment of capital by the Schemes. There is also no guarantee of capital or return either by the Mutual Fund or by the sponsor or by the Asset Management Company.

**Asset Allocation ( Fundamental Attribute)**

	Minimum	Maximum	Risk Profile
Equity & Equity related instruments	0%	100%	High
Fixed Income, Money Market Instruments and Government Securities Cash and Cash Equivalents	0%	100%	Low to Medium
Units issued by REITs / InvITs	0%	10%	Medium to High

- The Scheme may use derivatives for trading, investment, hedging and portfolio balancing. Exposure to derivatives will be limited to 50% of the net asset value of the Scheme at the time of transaction.
- The scheme may invest in securitized debt upto 35% of the fixed income allocation (including accrued interest)
- The scheme shall engage in securities lending subject a maximum of 20% and 5% for a single counter party.
- The scheme may invest in repo in corporate bond upto 10% of the net assets of the fixed income allocation, in accordance with SEBI regulations.
- The Scheme will not invest in foreign securities and credit default swaps.

Money Market Instruments includes Certificate of Deposits, Commercial Papers, T Bills, Government Securities having an unexpired maturity up to 1 Year, Call or notice Money, Non Convertible Debentures of original or initial maturity up to one year, Commercial Bills, TREPS, Reverse Repo and any other instruments as defined by RBI/SEBI from time to time.

Derivative Exposure is calculated as a percentage of the notional

value to the net assets of the Scheme. The Scheme will maintain cash or securities to cover exposure to derivatives.

The margin money requirement for the purposes of derivative exposure will be held also in the form of Term Deposits, cash or cash equivalents or as may be allowed under the Regulations.

The cumulative gross exposure to equity, debt, money market instruments, REITs/InvITs and derivatives shall not exceed 100% of the net assets of the scheme, subject to SEBI circular No. cir/ImD/ DF/ 11/ 2010 dated august 18, 2010. the same-security-wise hedge positions would be excluded from computing the percentage.

Pending deployment in line with the investment objective, the funds of the Scheme may be invested in short-term deposits with scheduled commercial banks in accordance with SEBI Circulars SEBI/IMD/CIR No.9/20306/03 dated November 12, 2003, SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007 and SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019.

The Scheme shall commence investment only on or after completion of the New Fund Offer period according to its objective. Scheme is permitted to invest in TREPS during the NFO period.

**Investment in Triparty Repo Trades (TREPS) before the closure of NFO:** The scheme may deploy the NFO proceeds in TREPS during the NFO period. The appreciation received from investment in TREPS shall be passed on to the scheme. In case if the scheme is not able to garner the minimum subscription amount during the NFO period the interest earned upon investment of NFO proceeds in TREPS shall be returned to investors, in proportion of their investments, along-with the refund of the subscription amount. The AMC shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period.

**Portfolio rebalancing/Changes in Investment Pattern:** Subject to SEBI Regulations, the asset allocation pattern may change from time to time for a short term and for defensive considerations, keeping in view the market conditions/ applicable regulations/political & economic factors, the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Rebalancing across sectors and stocks shall be a dynamic exercise as this is crucial to performance.

The Fund Manager of the Scheme shall examine factors such as the overall macro-economic conditions, valuation levels, sectorspecific factors, company-specific factors and trends in liquidity, to name a few, and reduce the equity exposure, if warranted, to lower levels and raise the fixed income component of the portfolio as a tactical call.

The Fund Manager shall seek to raise the equity exposure if the environment is conducive. This process of rebalancing may take place in a dynamic manner on a regular basis. Cash calls (with deployment in appropriate money-market and fixed-income securities), derivatives, changes in the degree of overweight and underweight to sectors and changes in allocation levels to stocks with varying attributes be used to balance the portfolio.

If the macro-economic conditions and market levels warrant, the fund manager may on an exceptional basis, reduce the equity exposure and raise the fixed-income component of the portfolio beyond the asset allocation boundary indicated in the table for

normal circumstances. Such an allocation in exceptional circumstances shall be adopted with the approval of the Internal Investment Committee of Sundaram Asset Management.

In the event of deviations, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not rebalanced within 30 days, justification for the same shall be placed before the Internal Investment Committee and reasons for the same shall be recorded in writing. The Internal Investment Committee of the Investment Manager, shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

### Benchmark

#### CRISIL Hybrid 50%+50% Moderate Index

CRISIL Hybrid 50+50 - Moderate Index seeks to track the performance of a hybrid portfolio having a blend of S&P BSE 200 (50%) and CRISIL Composite Bond Fund Index (50%).

The Trustee reserves the right to change the benchmark if due to a change in market conditions, a different index appears to be providing a more appropriate basis for comparison of fund performance or if the indicated benchmark ceases to exist or undergoes a substantial change that renders it an ineffective base for performance comparison and analysis.

### Fund Managers

S Bharath & S Krishnakumar

Dwijendra Srivastava. (Fixed Income)

The Trustee reserves the right to change the fund manager(s).

### Read Risk Factors

Prospective investors should not rely solely on the information contained in this Scheme Information Document. They should read the risk factors presented in this document –scheme specific, general and securities-specific and also note that the risk factors are only illustrative and not exhaustive and are advised to consult their investment advisors before taking investment decisions. The Trustee accepts no responsibility for unauthorised information.

### Summary of Indicative Scheme-Specific Risks

- a) The Scheme proposes to invest in equity and equity related instruments by identifying and exploiting price discrepancies in cash and derivative segments of the market. These investments by nature are volatile as the prices of the underlying securities are affected by various factors such as liquidity, time to settlement date, news flow, spreads between cash and derivatives market at different points of time, trading volumes, etc.
- b) There is no guarantee that the Fund Manager will be able to spot investment opportunities or correctly exploit price discrepancies in the different segments of the market.
- c) The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- d) The Scheme is also expected to have a high portfolio churn, especially in a volatile market.
- e) There is an execution risk while implementing arbitrage

strategies across various segments of the market, which may result in missed investment opportunities, or may also result in losses/high transaction costs.

- f) In case of a large outflow from the Scheme, the Scheme may need to reverse the spot-futures transaction before the settlement of the futures trade. While reversing the spot-futures transaction on the exchange, there could be a risk of price of the market being different from the price at which the actual reversal is processed.
- g) While future market are typically more liquid than underlying cash market, there can be no assurance that ready liquidity would exists at all point in time for the Scheme to purchase and close out a specific futures contract.
- h) In case of arbitrage, if futures are allowed to expire without corresponding buy/sell in cash market, there is a risk that price at which futures expires, may/may not match with the actual cost at which it is bought/sold in the cash market in last half an hour of the expiry day (Weighted average price for buy or sell).
- i) Investment in Equities and Equity related instruments involve risks such as Stock Market Volatility, Equity Price Risk, Dependency Risk, Temporary Investment Risk, Non-diversification Risk, Regulation-Change Risk and etc.
- j) Investments in Debt Securities and Money Market Instruments involve risks such as Interest Rate Risk, Credit Risk, Price Risk, Market Risk, Liquidity Risk, Risk relating to investment pattern, Risks relating to duration, Non-diversification Risk, Limited Liquidity, Price Risk and etc.
- k) Engaging in securities lending will involve risks such as counter party risk, liquidity risk and other market risk.
- l) Investment in REITs/InvITs instruments involve risks such as Interest-Rate Risk, Risk of lower than expected distributions, Liquidity Risk, Price-Risk and etc.
- m) Investment in Repo in Corporate Bond involve risks such as ounter party risk, Market Risk, Credit Risk and etc.
- n) Scheme is to be managed dynamically depending on the Fund Manager's outlook of the economy, markets etc. The Fund Manager may not be able to correctly identify these opportunities resulting in a sub optimal asset allocation leading to a below average or even loss making performance.
- o) Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered credit Rating agency (CRA) which involves Liquidity Risk & credit Risk and etc.

### Suitability

The Scheme is appropriate for investors who have a moderately high risk-appetite and understand the risks involved of investing in a scheme that will be dynamically managed in its asset allocation between equity, debt, derivatives and REITs/InvITs.

### Dividend Policy

The Trustee Company reserves the right to distribute dividend subject to availability of distributable surplus. Any dividend distribution and frequency of dividend distribution will be entirely at the discretion of the Trustee.

**Minimum Corpus**

In accordance with SEBI circular No. Cir/IMD/DF/15/2014 dated June 20, 2014, the minimum corpus of the scheme shall be Rs 10 crore. If the amount of subscription received during the new fund offer period is less than the minimum collection targeted for the Scheme, the amount collected will be refunded to the applicants of the particular Scheme, in accordance with the SEBI Regulation. There is no limit on maximum corpus.

**Plans and Options**

**Plans:** Regular Plan and Direct Plan

**Options:** Growth, Dividend Payout, Dividend (Re-Investment & Sweep)

If investment option is not indicated the default option will be Growth.

If an investor chooses the Dividend Option but fails to indicate a sub-option, the default sub-option shall be Dividend Sweep, when the dividend payable is Rs. 500 or more and Dividend Reinvestment in other cases.

All plans and options available for offer under the scheme will have the same portfolio

Direct Plan is only for investors who purchase /subscribe Units into the Scheme directly with the Fund and is not available for investors who invest through a Distributor.

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}.

The expense ratio of Direct Plan shall be lower than that of the Regular Plan as it shall exclude distribution expenses like commission, etc. No commission for distribution of Units will be paid / charged under Direct Plan. The direct plan will also have a separate NAV.

Investors wishing to subscribe under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form.

The following matrix will be applied for processing the applications in the Regular or Direct Plan:

Broker Code mentioned by the investor	Plan mentioned by the investor	Plan under which units will be allotted
Not mentioned	Not mentioned	Direct Plan
Not mentioned	Direct	Direct Plan
Not mentioned	Regular	Direct Plan
Mentioned	Direct	Direct Plan
Direct	Not Mentioned	Direct Plan
Direct	Regular	Direct Plan
Mentioned	Regular	Regular Plan
Mentioned	Not Mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan.

The AMC shall endeavour to contact the investor/distributor 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

**MF Utility Platform**

All financial and non-financial transactions pertaining to Schemes of Sundaram Mutual Fund can be done through MFU either electronically on [www.mfunline.com](http://www.mfunline.com) or physically through the authorized Points of Service ("POS" of MFUI with effect from the respective dates as published on MFUI website against the POS locations. The list of POS of MFUI is published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com) as may be updated from time to time. The Online Transaction Portal of MFU i.e. [www.mfunline.com](http://www.mfunline.com) and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance ("OPA") of the AMC. The uniform cut-off time as prescribed by SEBI and as mentioned in the SID / KIM of respective schemes shall be applicable for applications received on the portal of MFUI i.e. [www.mfunline.com](http://www.mfunline.com). However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms & conditions as stipulated by MFUI / Mutual Fund / the AMC from time to time and any law for the time being in force.

**International Security Identification Number (ISIN)**

The Investor has an option to hold the units either in the physical or demat mode in accordance with his/her own choice. International Security Identification Numbers (ISIN) in respect of the plans/options of the schemes shall be created in National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) at the time of launch of the scheme.

**Minimum Application / Investment Amount**

For both Regular and Direct Plan Rs. 100/- and multiples of Re. 1/- thereafter and for additional purchase Rs. 100/- and multiples of Re. 1/- thereafter.

**Minimum Redemption Limit** The minimum amount for redemption/switch out will be:

Regular & Direct Plan: Rs.100 or 1 units or account balance, whichever is lower. • STP (Weekly-processed on Wednesday's/next Business Day if Wednesday is not a Business Day): Rs 1000 • STP (Monthly): Rs 100 • STP (Quarterly): Rs 750 and any amount thereafter.

**Liquidity (Fundamental Attribute)****Purchase / Switch In:**

On any business day, at NAV.

**Redemption / Switch Out:**

On any business day at NAV, subject to exit load, if any.

The redemption proceeds shall be dispatched to the unit holders within 10 business days from the date of redemption.

**Transaction Facility through Stock Exchange**

A Unitholder may subscribe (One-time & Systematic investments) and redeem units of the eligible Plan(s) and Option(s) under the Scheme through the Stock Exchange(s) infrastructure of NSE MFSS and BSE Star platform. Please refer the segment on International Security Identification Number (ISIN) for the eligible Plan(s) and Option(s) available for transactions.

**Load Structure**

Type of Load	Load chargeable (as % age of NAV)
Entry	Nil
Exit*	If units purchased or switched in from another scheme of the Fund are redeemed or switched



out within 1 Year from the date of allotment:

- for up to 10% of such units - exit load: Nil.
- for more than 10% of such units – exit load: 1% of applicable Net asset Value (NAV)

If units purchased or switched in from another scheme of the Fund are redeemed or switched out after 1 Year from the date of allotment - NIL.

\*Applicable for investments made through normal purchase and SIP/STP/SWP transactions.

Any imposition or enhancement in the load shall be applicable on prospective investments only and will be calculated on First in First Out (FIFO) basis.

However, the upfront commission to distributor (ARN holder) will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor. The distributor (ARN holder) will disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing Scheme of various mutual funds from amongst which the Scheme is being recommended to the investor.

#### Applicability

(a) Prescribed exit load will be applicable for switch out and every instalment under a Systematic Transfer Plan and Systematic Withdrawal Plan. The period indicated for exit load shall be reckoned from the date of allotment.

(b) Switch of existing investments from Regular Plan to Direct Plan where the transaction has been received without broker code in the Regular Plan shall not be subject to exit load.

However, any subsequent switch / redemption of such investment shall be subject to exit load based on the original date of investment in the Regular Plan and not from the date of switch into Direct Plan. (effective from April 01, 2013)

(c) In case of switch of investments from Regular Plan to Direct Plan received with broker code in the Regular Plan, the exit load as applicable to redemption of units under the respective scheme(s) shall apply.

(d) In case of switch of investments from Direct Plan to Regular Plan, no exit load shall be levied. However, any subsequent switch-out or redemption of such investment shall be subject to exit load based on the original date of investment in the Direct Plan and not from the date of switch into Regular Plan. (effective from April 01, 2013)

The Board of Trustee reserves the right to prescribe or modify the exit load structure with prospective effect, subject to a maximum as prescribed under SEBI Regulation.

Details of the modifications will be communicated in the following manner:

- Addendum detailing the changes will be attached or incorporated to the SID and Key Information

Memorandum. The addendum will become an integral part of this Scheme Information Document.

- The change in exit load structure will be notified by a suitable display at the Corporate Office of the Sundaram Asset Management and at the Investor Service Centres of the registrar.

- A public notice shall be given in one English daily newspaper

having nation-wide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

The introduction/modification of exit load will be stamped on the acknowledgement slip issued to the investors on submission of an application form and will also be disclosed in the account statement issued after the introduction of such exit load.

Investors are requested to ascertain the applicable exit load structure prior to investing.

#### Transaction Charge to Distributors

1 The Distributor would be allowed to charge the Mutual Fund Investor a Transaction Charge where the amount of investment is Rs. 10,000/- and above on a per subscription basis

2 For an investor other than First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 100/- per subscription of Rs. 10,000/- and above

For a First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 150/- per subscription of Rs. 10,000/- and above

3 The Transaction Charge, where applicable based on the above criteria, will be deducted by the Investment Manager from the subscription amount remitted by the Investor and paid to the distributor; and the balance (net) amount will be invested in the scheme. Thus units will be allotted against the net investment.

4 No Transaction charges shall be levied:

a) Where the distributor/agent of the investor has not opted to received any Transaction Charges;

b) Where the investor purchases the Units directly from the Mutual Fund;

c) Where total commitment in case of SIP / Purchases / Subscriptions is for an amount less than Rs. 10,000/-;

d) On transactions other than purchases / subscriptions relating to new inflows.

Switches / Systematic Transfers / Allotment of Bonus Units / Dividend reinvestment Units / Transfer / Transmission of units, etc will not be considered as subscription for the purpose of levying the transaction charge.

e) Purchases / subscriptions carried out through stock exchange(s).

The distributors can opt-in / opt-out of levying transaction charges based on 'type of the Product/Scheme' instead of 'for all Schemes'. Accordingly, the transaction charges would be deducted from the subscription amounts, as applicable.

However, the distributor shall not be able to opt-in or opt-out at the investor-level i.e. a distributor shall not charge one investor and choose not to charge another investor.

The transaction charges are in addition to the existing system of commission permissible to the Distributors. On subscription through Distributors, the upfront commission if any will be paid directly by the Investors to the Distributor by a separate cheque based on their assessment of various factors including the service rendered by the Distributor.

Any circular/clarification issued by SEBI in this regard will

automatically become applicable and will be incorporated in the SID/SAI/KIM wherever applicable.

### Initial Issue Expenses

Initial issue expenses shall be borne by the Investment Manager/AMC and not by the scheme of mutual fund.

DD charges shall be borne by Investment Manager as per prevailing SBI norms, where there are no collection centers.

### Annual Fee & Recurring Expenses

The total annual recurring expenses of the Scheme, excluding deferred revenue expenditure written off, issue or redemption expenses, but including the investment management/advisory fee that can be charged to the scheme shall be within the limits specified in Regulation 52 of SEBI (Mutual Funds) Regulations. Details are available in Part IV of the Scheme Information Document. The Investment Management Fees and other recurring expenses will be calculated on the basis of daily net assets.

### Repatriation Basis

NRIs, registered FIIs and registered sub account of FIIs may invest in the Scheme on full repatriation basis, subject to necessary RBI approvals, if any.

### Minimum Application / Investment Amount

For both Regular Plan & Direct Plan. First investment Rs. 100/- and multiples of Re 1/- thereafter. In the case of purchases through SIP, the minimum installment amount shall be Rs. 1000/-, Rs. 750/- and Rs. 100/- respectively for weekly (processed on Wednesday's/next Business Day if Wednesday is not a Business Day), quarterly and monthly frequency respectively and in multiples of Re. 1/- thereafter.

**Minimum Redemption Limit** The minimum amount for redemption/switch out will be:

Regular & Direct Plan: Rs. 100 or 1 units or account balance, whichever is lower. • STP (Weekly-processed on Wednesday's/next Business Day if Wednesday is not a Business Day): Rs 1000 • STP (Monthly): Rs 100 • STP (Quarterly): Rs 750 and any amount thereafter.

### Valuation of Assets

The assets of the Scheme will be valued in conformity with SEBI Regulations / Guidelines as applicable from time to time. For more details please refer to Statement of Additional Information (SAI). Valuation of securities will be based on the principles laid down by SEBI, as amended from time to time. The detailed policy on valuation of securities is available in the Investment Manager's website, [www.sundarammutual.com](http://www.sundarammutual.com) and in Statement of Additional Information.

### Transparency: NAV & Portfolio Disclosure

The Investment Manager will calculate and disclose the first NAV of the scheme not later than five business days from the allotment of units. The Investment Manager will prominently disclose the NAVs of all schemes under a separate head on its website and on the website of Association of Mutual Funds in India (AMFI). Further, the Investment Manager will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

NAV will be updated on the website of Association of Mutual

Funds of India [www.amfiindia.com](http://www.amfiindia.com) before 11.00 p.m. every business day and on the website of AMC [www.sundarammutual.com](http://www.sundarammutual.com). In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of working 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.

### Illustrative List of Tax Implications

#### For the Mutual Fund:

**Income of Sundaram Mutual Fund:** Exempt from Tax

#### Dividend Distribution Tax (DDT) imposed on Equity Mutual Funds:

As per the Finance Act 2018, Equity Oriented Mutual Funds would be liable to pay DDT @ 10% on the income distributed to its investors. For the purpose of computation, the tax rate would be applied on the gross dividend payment including DDT i.e. 10% X (Dividend per unit + DDT) + applicable surcharge and Cess

#### Capital Gains

Transaction	Short-term capital gains <sup>(a)</sup>	Long-term capital gains <sup>(a)(b)</sup>
I) Sale transactions of equity shares and unit of an equity oriented fund both of which attract STT	15%	10%*
II) Sale transaction other than mentioned above: Individuals (resident and non-residents)	Progressive slab rates	20% / 10% <sup>(c)</sup>
Firms (resident and non-residents)	30%	20% / 10% <sup>(c)</sup>
Resident companies	30% <sup>(d)</sup> / 25% <sup>(e)</sup> 22% <sup>(f)</sup> / 15% <sup>(g)</sup>	20% / 10% <sup>(c)</sup>
Overseas financial organizations specified in section 115AB	40% (corporate) 30% (non corporate)	10%
FIIs	30%	10%
Other Foreign companies	40%	20% / 10% <sup>(c)</sup>
Local authority	30%	20% / 10%
Co-operative society	Progressive slab rates	20% / 10%

\*Finance Act, 2018 terminates the exemption granted under section 10(38) to long term capital gains arising on transfer of listed shares or units of equity oriented mutual funds or units of business trusts by introduction of section 112A to provide that long term capital gains arising from transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% without indexation and without foreign currency fluctuation benefit of such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if securities transaction tax (STT) has been paid on both acquisition and transfer in case of equity shares and on transfer in case of units of equity-oriented mutual funds or units of business trust. Further, the amendment to section 55 of the Act provides for a grandfathering provision upto January 31, 2018.

(a) These rates will further increase by applicable surcharge & health and education cess.

(b) Indexation benefit, as applicable.

- (c) Long term capital gains arising to a non-resident from transfer of unlisted securities or shares of a company, not being a company in which the public are substantially interested, subject to 10 per cent tax (without benefit of indexation and foreign currency fluctuation)
- (d) This rate applies to companies other than companies engaged in manufacturing business who are to be taxed at lower rate subject to fulfillment of certain conditions.
- (e) If total turnover or gross receipts during the financial year 2017-18 does not exceed ₹ 400 crores.
- (f) This lower rate is optional and subject to fulfillment of certain conditions as provided in Taxation Laws (Amendment) Ordinance, 2019.
- (g) This lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfillment of certain conditions as provided in Taxation Laws (Amendment) Ordinance, 2019

The base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take fair market value of the asset as on that date.

In the event the equity allocation falls below the threshold of 65% during the financial year and in case of NFOs launched during the year, the balance of the financial year from the date of the launch of the NFO to the end of the financial year (the threshold percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures in case where the Scheme has been in existence for the full financial year or the average of the monthly averages for the period the Scheme has been in existence from its date of launch to the end of that financial year), the Scheme may be regarded as an "other than equity oriented fund" and the tax provisions mentioned in the table above (II) shall be applicable to the unit holders of the Scheme.

#### Other than Equity Oriented Mutual Funds

- Income of Sundaram Mutual Fund: Exempt from tax.
- Dividend Distribution: The scheme will pay Dividend Distribution Tax at the rate of 25.00% to the Individual & HUFs and 30% on distribution made to others (plus surcharge and cess as applicable). The amount of distributed income shall be increased to such an amount as would, after reduction of the additional income tax (DDT) on such increased amount at the rate specified shall be equal to the amount of income distributed by the mutual fund.

*The information is provided for general information purpose only. Investors are advised to seek their own legal opinion / consult their financial advisor before making any investments.*

Investors should also refer to the Statement of Additional Information available at [www.sundarammutual.com](http://www.sundarammutual.com) for more details.

#### Information Access

Investors may access NAV, performance charts, portfolio details, Scheme features, fact sheet, product note/guide, Scheme Information Document, Statement of Additional Information, FAQs and any relevant Scheme-specific material on [www.sundarammutual.com](http://www.sundarammutual.com).

#### Investor Relations Manager

##### Mr. Dhiren H Thakker

Head- Customer Services

Sundaram Asset Management Company Limited

Satellite Gazebo, Unit no. 101/102, B Wing,

B D Sawant Marg, Chakala,

Andheri-Ghatkopar Link Road,

Andheri (East), Mumbai – 400 093.

Contact No. 1860 425 7237 (India) +91 40 2345 2215 (NRI)

Email us at : [customerservices@sundarammutual.com](mailto:customerservices@sundarammutual.com)

(NRI): [nriservices@sundarammutual.com](mailto:nriservices@sundarammutual.com)

#### Custodian

**Standard Chartered Bank**, Mumbai registered with SEBI, vide Registration No IN/CUS/006, has been appointed custodian for the securities in the Scheme. The responsibilities of the custodian include:

- to keep in safe custody all the securities and instruments belonging to the Scheme;
- to ensure smooth inflow/outflow of securities and instruments as and when necessary in the best interest of the investors;
- to ensure that the benefits due on the holdings are received;
- to be responsible for the loss or damage to the securities due to negligence on its part or on the part of its approved agents.

The Trustee reserve the right to appoint any other custodian(s) approved by SEBI.

#### Fund Accountant:

Fund Accounting has been operationally outsourced to

#### Sundaram BNP Paribas Fund Services Limited

No. 221 (Old No.162), Metro Plaza, 1st Floor,

Above Raymond's Showroom,

Anna Salai (Mount Road),

Chennai - 600 002

The activities inter-alia include:

- i. Record accounting entries to the fund.
- ii. Reconcile account balances for the fund.
- iii. Establish policies and procedures to assure proper fund accounting.
- iv. Maintain proper documentation.
- v. Update computer system records.
- vi. Perform fund valuations of unit trusts and custodian accounts.
- vii. Prepare schedules and tailor-made client reports.
- viii. Coordinate preparation of annual accounts and audit unit trusts and custodian accounts.

However, the Fund administration part would continue to be handled by the Operations Department of the Investment Manager.

#### Registrar

##### KFin Technologies Private Limited

CIN: U72400TG2017PTC117649

Unit: Sundaram Mutual Fund,

**Hyderabad:** Tower - B, Plot No. 31 & 32, Selenium Building Gachibowli Road Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032.



**Chennai:** Central Processing Center, 23, Cathedral Garden Road, Nungambakkam, Chennai 600034.

Contact No.: 1800 425 7237 (India) +91 40 2345 2215 (NRI)

Email us at : customerservices@sundarammutual.com

#### Information to Unit Holders

**NFO:** On acceptance of a valid application for subscription, units will be allotted and a confirmation specifying the number of units allotted by way of email and/or SMS within 5 Business Days from the date of closure of NFO will be sent to the Unit holder's registered e-mail address and/or mobile number.

**Post NFO:** On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS will be sent to the Unitholders registered e-mail address and/or mobile number within 5 business days from the date of receipt of transaction request.

Subject to SEBI Regulations, physical Statement of Accounts will be sent to those unitholders whose registered email address / mobile number is not available with the Mutual Fund. Money would be refunded in respect of applications rejected, within five business days from the closure of the NFO period. While allotting units in case of subscription to the scheme through switches from other schemes,

- additional units shall be allotted to the investors for the fractional value greater than 0.5 units so that the total units are rounded off to a full unit. The amount equivalent to conversion of fractional unit to full unit shall be debited to unit premium reserve account.
- For the fractional value upto 0.5 units, no additional units would be allotted. The value of those units shall be credited as unit premium reserve for the benefit of the investors.
- The overall cost, if any, arising out of the process shall be absorbed by Sundaram asset Management company Limited

#### Consolidated Account Statement:

- 1) A consolidated account statement (CAS)^ for each calendar month to the Unit holder(s) in whose folio(s) transaction\*\*(s) has/have taken place during the month shall be sent on or before 10th of the succeeding month by mail/e-mail.

**^Consolidated Account Statement (CAS)** shall contain details relating to all the transactions\*\* carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor, if any.

**\*\*The word 'transaction'** shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

- 2) In case of a specific request received from the Unit holders, the AMC/Mutual Fund will provide the account statement to the investors within 5 Business Days from the receipt of such request.
- 3) In case the mutual fund folio has more than one registered holder, the first named Unit holder shall receive the CAS/account statement.
- 4) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account

Number (PAN).

- 5) The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.
- 6) Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly CAS will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical. Such Consolidated Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement.
- 7) The statement of holding of the beneficiary account holder for units held in DEMAT will be sent by the respective DPs periodically.
- 8) Pursuant to SEBI circular CIR/MRD/DP/31/2014 dated November 12, 2014, investors having Mutual Fund investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository. Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis. If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within ten days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.
- 9) Pursuant to SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, the following points have been incorporated to increase the transparency of information to the investors.
  - A. Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme.
  - B. Further, CAS issued for the half-year (ended September/ March) shall also provide:
    - (i) The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as GST (wherever applicable, as per existing rates), operating expenses, etc.
    - (ii) The scheme's average Total Expense Ratio (in percentage terms) along with the break up between investment and advisory fees, commission paid to the distributor and other expenses for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

- C. Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

Any circular/clarification issued by SEBI in this regard will automatically become applicable and shall be incorporated in the SID/SAI/KIM wherever applicable.

The Investment Manager shall disclose the portfolio (along with ISIN) as on the last day of the month / half-year for all the schemes in its website [www.sundarammutual.com](http://www.sundarammutual.com) and on the website of AMFI within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format.

In case of unitholders whose e-mail addresses are registered, the Investment Manager will 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.

The Investment Manager will publish an advertisement every half-year disclosing the hosting of the half-yearly statement of its schemes portfolio on their respective website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Such advertisement will be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

The Investment Manager will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

Sundaram Mutual fund shall make half yearly disclosures of unaudited financial results on its website [www.sundarammutual.com](http://www.sundarammutual.com) in the prescribed format within one month from the close of each half year, i.e. on 31st March and on 30th September. The half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of the mutual fund. In addition, Sundaram Mutual Fund shall publish an advertisement disclosing the hosting of such financial results in its website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of Sundaram mutual fund is situated.

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular No. Cir/IMD/ DF/16/2011 dated September 8, 2011, read with SEBI Mutual Fund (Second Amendment) Regulation 2018, the Scheme-wise annual report or an abridged summary thereof shall be provided by AMC/Mutual Fund within four months from the date of closure of relevant accounting year in the manner specified by the Board.

The scheme wise annual report will be hosted on the websites of the Investment Manager and AMFI. The Investment Manager will display the link on its website and make the physical copies available to the unitholders, at its registered offices at all times.

The Investment Manager will e-mail the scheme annual reports or abridged summary thereof to those unitholders, whose email addresses are registered with the Mutual Fund.

In case of unitholders whose email addresses are not registered with the Mutual Fund, the Investment Manager will communicate to the unitholders, through a letter enclosing self-addressed envelope enabling unitholders to 'opt-in' within 30 days, to continue receiving a physical copy of the scheme-wise annual report or abridged summary thereof.

The Investment Manager will conduct one more round of similar exercise for those unitholders who have not responded to the 'opt-in' communication as stated above, after a period of not less than 30 days from the date of issuance of the first communication.

Further, a period of 15 days from the date of issuances of the second communication. The Investment Manager will publish an advertisement every year disclosing the hosting of the scheme wise annual report on its website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter), etc. through which unitholders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement will be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

The Investment Manager will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unitholder.

#### Due Diligence by Sundaram Asset Management Company

It is confirmed that:

- The Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulation, 1996 and the guidelines and directives issued by SEBI from time to time.
- All legal requirements connected with the launch of the Scheme as also the guidelines, and instructions issued by the Government of India and any other competent authority in this behalf, have been duly complied.
- The disclosures made in this Scheme Information Document are true, fair and adequate to enable the investors to make a well-informed decision regarding an investment in the Scheme.
- The intermediaries named in this Scheme Information Document and the Statement of Additional Information are registered with SEBI and the registration is valid as on date.

This Scheme Information Document was approved by the Trustee of Sundaram Mutual Fund vide letter dated 26/09/2019. The aforesaid Due Diligence Certificate was submitted to the Securities and Exchange Board of India.

Chennai

**P Sundararajan**

01/01/2020

Head-Compliance & Company Secretary

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**Investment Objective & Asset Allocation of existing comparable equity Schemes of Sundaram Mutual Fund**

	<b>Name of the Scheme</b>	<b>Asset Allocation Pattern</b>	<b>Investment Objective</b>	<b>Differentiation</b>
1	Sundaram Select Focus	Equity & Equity related instruments of Large Cap Companies: 65%-100% • Other Equities: 0-35% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-35% • Investment in REITs & InvITs: 0-10% • Overseas Securities (including ETFs) 0-35% of the net assets.	To achieve capital appreciation through concentrated investments in equity and equity related instruments of large cap companies.	The fund is a concentrated strategy in the large-cap space. The fund will invest in no more than 30 stocks. This fund falls in the Focused Category as per SEBI Categorization
2	Sundaram Mid Cap Fund	Equity and equity-related instruments of mid cap companies: 65-100% • Other Equities: 0-35% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-35% • Investment in REITs & InvITs: 0-10% • Overseas Securities (including ETFs) 0-35% of the net asset	The objective of the scheme is to achieve capital appreciation by investing predominantly in diversified stocks that are generally termed as mid-cap stocks	The fund is a pure mid-cap fund. This fund falls in the Mid Cap Category as per SEBI Categorization
3	Sundaram Small Cap Fund	Equity & Equity related instruments of Small cap companies: 65%-100% • Other Equities 0-35% • High Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-35% • Investment in REITs & InvITs: 0-10% • Medium to High Overseas Securities (including ETFs) 0-35% of the net asset	The objective of the scheme is to achieve capital appreciation by investing predominantly in diversified stocks that are generally termed as small-cap stock	The fund is Small Cap fund. This fund falls in the Small Cap Category as per SEBI Categorization
4	Sundaram Large and Mid Cap Fund	Equity and equity-related instruments of large cap companies: 35-65% • Equity and equity-related instruments of mid cap companies: 35-65% • Other Equities: 0-30% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: Upto 30% • Low to Medium Investment in REITs & InvITs: 0-10% • Overseas Securities (including ETFs) 0-30% of the net assets	To seek capital appreciation by investing predominantly in equity and equity related instruments in large and mid cap stocks.	This fund falls in the Large and Mid Cap category as per SEBI Categorization
5	Sundaram Equity Fund	Equity and equity-related instruments of across market capitalisation: 65-100% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-35%	The investment objective of the scheme is to generate capital appreciation by investing in a diversified portfolio of equity & equity related instruments across market capitalisation	This fund falls in the Multi Cap category as per SEBI Categorization
6	Sundaram Services Fund	Equity and equity related securities related to services sector: 80-100% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-20%	To seek capital appreciation by investing in equity / equity related instruments of companies who drive a majority of their income from business predominantly in the Services sector of the economy. However, there can be no assurance that the investment objective of the Scheme will be realized. Services sector include healthcare, Fitness, tourism & hospitality, transportation & Logistics, education, Staffing, Wealth management, media, Retail, aviation, Legal, architecture and Design services	This fund falls in the Thematic/Sectoral Category as per SEBI Categorization, which predominantly invests in businesses in the Services Sector

	Name of the Scheme	Asset Allocation Pattern	Investment Objective	Differentiation
7	Sundaram Rural and Consumption Fund	Equity and equity related securities of companies engaged in rural and/or consumption sector: 80-100% • Other Equities: 0-20% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-20% • Investment in REITs & InvITs 0-10% • Overseas Securities (Including ETFs) 0-20% of the net assets	The primary investment objective of the Scheme is to generate returns by investing predominantly in equity / equity-related instruments of companies engaged in rural and/or consumption business	This fund falls in the Thematic/Sectoral Category as per SEBI Categorization, which predominantly invests in rural and consumption space
8	Sundaram Infrastructure Advantage Fund	Equity and Equity related instruments of companies Engaged in Infrastructure sector: 80-100% • Other Equities: Upto 20% • Fixed Income Instruments issued by Companies engaged in Infrastructure Sector: Upto 20% • Money Market Instruments and Cash & Cash Equivalents: Upto 20% • Investment in REITs & InvITs: 0-10% • Overseas Securities (including ETFs) 0-20% of the net assets	To generate long-term returns by investing predominantly in equity / equity-related instruments of companies engaged either directly or indirectly in infrastructure - and infrastructure related activities or expected to benefit from the growth and development of infrastructure	This fund falls in the Thematic/Sectoral Category as per SEBI Categorization, which predominantly invests in Infrastructure Sector
9	Sundaram Financial Services Fund	Equity & Equity Related Instruments of companies engaged in Banking and Financial Services: 80-100% • Other Equities: Upto 20% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: Upto 20% • Investment in REITs & InvITs: 0-10% • Overseas Securities (Including ETFs) 0-20% of the net asset	To seek long-term capital appreciation by investing predominantly in equity and equity related securities of Indian companies engaged in the banking and financial services sector	This fund falls in the Thematic/Sectoral Category as per SEBI Categorization, which predominantly invests in Financial Services Sector
10	Sundaram Diversified Equity Fund	Equity & equity-related instruments: 80-100% • Corporate and PSU Bonds Up to 20% • Money market instruments: Up to 20%. In conformity with GOI notification dated 28-Dec-1992 on ELSS 1992,	To achieve capital appreciation by investing predominantly in equities and equity-related instruments. A three-year lock-in period shall apply in line with the regulation for ELSS Scheme	The fund is a ELSS framed in accordance with the Central Government notifications
11	Sundaram Equity Savings Fund	Under Normal Circumstances: Equity & equity-related instruments: 65-90% • Derivatives (only arbitrage opportunities) - 25-90% • Unhedged Equity: 15-40% Fixed Income and Money Market : 10-35% Units issued by REITS/INVITS : 0-10%	The investment objective of the scheme is to generate income by investing in debt and arbitrage opportunities in the cash and derivatives segment of the equity market, and capital appreciation through a moderate exposure in equity. however, there can be no assurance that the investment objective of the Scheme will be realized	This fund falls in the Equity Savings category as per SEBI Categorization, which predominantly invests in Financial Services Sector

**Differentiating aspect of Sundaram Balanced Advantage Fund:** This fund is an open ended dynamic asset allocation fund. This fund will be categorised under Dynamic Asset allocation or Balanced Advantage Category as per SEBI Categorization. This fund will invest in Equity/Debt that will be managed dynamically. We do not have any other fund in this category.



**Definition**

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

**Benchmark:** The index for evaluating the performance of the Scheme.

**Business Day**

A day other than

- A Saturday
- A Sunday
- A day on which there is no RBI clearing/settlement of securities
- A day on which the Reserve Bank of India and/or banks in Mumbai are closed for business/clearing
- A day on which the Stock Exchange, Mumbai or National Stock Exchange of India or RBI and/or banks are closed
- A day which is a public and/or bank holiday at an investor centre
- A day which falls within a book closure period announced by the Trustee / Investment Manager.
- A day on which normal business cannot be transacted due to storms, floods, bandh, strikes or such other events as the Investment Manager may specify from time to time.

The Investment Manager reserves the right to declare any day as a business day or otherwise at any or all branches / Investor Service Centres. The expressions "Business Day" and "Working Day" have been used interchangeably.

**Custodian:** A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulation, 1996 and includes any entity appointed to act as custodian in respect of foreign securities (including approved banks).

**First Time Mutual Fund Investor:** An investor who invests for the first time ever in any mutual fund either by way of purchase/subscription or Systematic Investment Plan.

**Investment Management Agreement:** Investment Management Agreement dated August 24, 1996, executed between the Trustee and the Investment Manager. Consequent to the change in the ownership & name of the Asset Management Company and Trustee Company, the agreement stands modified with the name of the Sundaram Asset Management Company Ltd, as Investment Manager and Sundaram Trustee Company, as the Trustee.

**Investment Manager:** Sundaram Asset Management Company Limited incorporated under the provisions of the Companies Act, 1956 and approved by the Securities and Exchange Board of India to act as the Investment Manager for the Scheme of Sundaram Mutual Fund. AMC is also called as Investment Manager alternatively.

**Investor Service Centres or Official Points of acceptance of transactions:** Designated branches of Sundaram Asset Management Limited or such other centres/offices as may be designated by the Investment Manager or its registrars from time to time.

**Mutual Fund or the Fund:** Sundaram Mutual Fund, a trust set up under the provisions of the Indian Trust Act, and registered with SEBI vide Registration No.MF/034/97/2.

**NAV:** The Net Asset Value per unit of the Scheme, calculated in the manner provided in the Scheme Information Document, as may be prescribed by SEBI regulation from time to time

**The Regulation:** Securities and Exchange Board of India (Mutual Funds) Regulation 1996 as amended from time to time.

**Trustee:** Sundaram Trustee Company Limited, as incorporated under the Provisions of the Companies Act, 1956, and approved by SEBI to act as Trustee to the Scheme of Sundaram Mutual Fund.

**Trust Deed:** The Trust Deed dated August 24, 1996 (as amended from time to time) establishing the Mutual Fund.

**Unit Holder:** The term unit holder and investor has been used interchangeably in this document.

**Abbreviation**

In this document, an investor may find the following abbreviations.

AMC	Asset Management Company
AMFI	Association of Mutual Funds in India
AML	Anti-Money Laundering
AUM	Assets Under Management
BSE	Bombay Stock Exchange Limited
TREPS	Triparty Repo Trades
CCC	Customer Care Centre
CKYC	Central Know Your Customer
ECS	Electronic Clearing System
EFT	Electronic Funds Transfer
FATCA	Foreign Account Tax Compliance Act
FPI	Foreign Portfolio Investor
FRA	Forward Rate Agreement
HUF	Hindu Undivided Family
IMA	Investment Management Agreement
IRS	Interest Rate Swap
KIM	Key Information Memorandum
KYC	Know Your Customer
MFU	Mutual Fund Utility
NAV	Net Asset Value
NRI	Non-Resident Indian
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PIO	Person of Indian Origin
PMLA	Prevention of Money Laundering Act, 2002
POS	Points of Service
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SAI	Statement of Additional Information
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEFT	Special Electronic Funds Transfer
SI	Standing Instructions
SID	Scheme Information Document
SIP	Systematic Investment Plan
STP	Systematic Transfer Plan
SWP	Systematic Withdrawal Plan

**Interpretation:** The words and expressions used in this document and not defined shall have the meanings respectively assigned to them therein under the SEBI Act or the SEBI Regulation.

For the purpose of this document, except as otherwise expressly provided or unless the context otherwise requires:

- the terms defined in this Scheme Information Document include the singular as well as the plural.
- pronouns having a masculine or feminine gender shall be deemed to be all inclusive
- all references to 'dollars' or '\$' refers to the United States dollars
- Rs refers to Indian Rupee.
- A crore means ten million or 100 lakh and
- A lakh means a hundred thousand
- References to timings relate to Indian Standard Time (IST).
- References to a day are to a calendar day including non-Business Day

**Standard Risk Factors**

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down
- Past performance of the Sponsor/Investment Manager/Mutual Fund does not guarantee future performance of the Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs 1 lakh made by them towards setting up the Fund.
- The Scheme is not a guaranteed or assured return Scheme.

**Scheme Specific Risk Factors**

- a) Investment in Equities and Equity related instruments involve risks such as Stock Market Volatility, Equity Price Risk, Dependency Risk, Temporary Investment Risk, Non-diversification Risk, Regulation-Change Risk and etc.
- b) The Scheme proposes to invest in equity and equity related instruments by identifying and exploiting price discrepancies in cash and derivative segments of the market. These investments by nature are volatile as the prices of the underlying securities are affected by various factors such as liquidity, time to settlement date, news flow, spreads between cash and derivatives market at different points of time, trading volumes, etc.
- c) There is no guarantee that the Fund Manager will be able to spot investment opportunities or correctly exploit price discrepancies in the different segments of the market.
- d) The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- e) The Scheme is also expected to have a high portfolio churn, especially in a volatile market.
- f) There is an execution risk while implementing arbitrage strategies across various segments of the market, which may result in missed investment opportunities, or may also result in losses/high transaction costs.
- g) In case of a large outflow from the Scheme, the Scheme may need to reverse the spot-futures transaction before the settlement of the futures trade. While reversing the spot-futures transaction on the exchange, there could be a risk of price of the market being different from the price at which the actual reversal is processed.
- h) While future market are typically more liquid than underlying cash market, there can be no assurance that ready liquidity would exist at all point in time for the Scheme to purchase and close out a specific futures contract.

- i) In case of arbitrage, if futures are allowed to expire without corresponding buy/sell in cash market, there is a risk that price at which futures expires, may/may not match with the actual cost at which it is bought/sold in the cash market in last half an hour of the expiry day (Weighted average price for buy or sell).
- j) Investments in Debt Securities and Money Market Instruments involve risks such as Interest Rate Risk, Credit Risk, Price Risk, Market Risk, Liquidity Risk, Risk relating to investment pattern, Risks relating to duration, Non-diversification Risk, Limited Liquidity, Price Risk and etc.
- k) Engaging in securities lending will involve risks such as counter party risk, liquidity risk and other market risk.
- l) Investment in REITs/InvITs instruments involve risks such as Interest-Rate Risk, Risk of lower than expected distributions, Liquidity Risk, Price-Risk and etc.
- m) Investment in Repo in Corporate Bond involve risks such as counter party risk, Market Risk, Credit Risk and etc.
- n) Scheme is to be managed dynamically depending on the Fund Manager's outlook of the economy, markets etc. The Fund Manager may not be able to correctly identify these opportunities resulting in a sub optimal asset allocation leading to a below average or even loss making performance.
- o) Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered credit Rating agency (CRA) which involves Liquidity Risk & credit Risk and etc

**General Risk Factors**

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- The main types of risks to which the Scheme is exposed are risk of capital loss, market risk, currency risk, liquidity risk, credit risk, counter party default risk, to name a few.
- As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets.
- The NAV may be affected by factors such as market conditions, level of interest rates, market-related factors, trading volumes, settlement periods, transfer procedures, price/interest rate risk, credit risk, government policy, volatility and liquidity in markets, exchange rate, geo-political development, to name a few.
- Trading volumes in the securities in which the Scheme invest may inherently restricts the liquidity of the Scheme's investments.
- Change in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors in the Scheme.
- The tax benefits available under the Scheme is based on the present taxation laws and subject to relevant conditions. The information given is included for general purposes only and is based on advice that the Investment Manager has received regarding the law and the practice that is now in force in India.
- Unit holders should be aware that the relevant fiscal rules and their interpretation might change. As is the case with any

investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor/Unit holder is advised to consult his/her own professional tax advisor.

- Investors/unit holders are also urged to read the detailed clause(s) titled 'Special considerations'.
- FATCA imposes tax withholding upto 30% on any payments (including redemption and dividend proceeds) made by the Fund/AMC to a US Person classified as recalcitrant account holder in respect of whom the applicable documentation and reporting requirements are not met

This is only an illustrative list and not an exhaustive list factors that could affect the NAV of the Scheme. They should read the risk factors presented in this document though the list is no way exhaustive. Potential investors should not rely solely on the information contained in this Scheme Information Document and are advised to consult their investment advisors before taking investment decisions.

### Risk of Capital Loss

The Net Asset Value (NAV) of the Scheme is exposed to market fluctuations, and its value can go up as well as down. Investors may lose their entire principal.

### Risk Factors - Debt Markets

- **Interest Rate Risk:** Changes in the prevailing rates of interest may affect the value of the Scheme's holdings and consequently the value of the Scheme's Units. Increased rates of interest, which frequently accompany inflation and /or a growing economy, may have a negative effect on the value of the Units. The value of debt securities held by the Scheme generally will vary inversely with the changes in prevailing interest rates.
- While it is the intent of the fund manager to invest primarily in high rated debt securities, the Scheme may from time to time invest in higher yielding, low rated securities. As a result, an investment in the Scheme may be accompanied by a higher degree of risk relative to an investment consisting exclusively of high rated, lower yielding securities.
- **Credit Risk:** Credit Risk refers to the risk of failure of interest (coupon) payment and /or principal repayment. All debt instruments carry this risk. Government securities carry sovereign credit risk. The assets of the Scheme will be partly or entirely invested in fixed income securities issued by a corporate entity, bank, financial institution and/or a public sector undertaking owned by the Government of India or by a government in any state. The credit risk associated with the aforementioned issuers of debt is higher than that of Government securities.
- **Price Risk:** As long as the Scheme will be invested, its Net Asset Value (NAV) is exposed to market fluctuations, and its value can go up as well as down. The portfolio of fixed-income securities that the Scheme invest in would be exposed to price changes on a day-to-day basis.
- These price changes may occur due to instrument-specific factors as well as general macroeconomic conditions. In general, price of fixed-income securities go up when interest rates fall, and vice versa.

- **Market Risk:** The Scheme may also be subject to price volatility due to such factors as interest sensitivity, market perception or the creditworthiness of the issuer and general market liquidity.
- **Liquidity Risk:** A lower level of liquidity affecting an individual security (ies) or an entire market may have an adverse bearing on the value of the Scheme's assets. This may more importantly affect its ability to sell particular securities with minimal impact cost as and when necessary to meet requirement of liquidity or to sell stocks in response to triggers such as a specific economic/corporate event. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of a few of the investments.
- **Risk relating to investment pattern:** Different types of securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly the Scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate debt carry credit risk unlike Government securities. Further even among corporate debt, AAA rated debt is comparatively less risky (in credit risk terms) than those rated lower (say AA or A).
- **Risks relating to duration:** Fixed Income securities of any issuer that has higher duration could be more risky in terms of price movements relative to those with lower duration. Thus any impact of interest rate changes would be higher on securities with higher duration irrespective of the status of the issuer of the security.
- **Non-diversification Risk:** The Scheme may pursue only a limited degree of diversification. It may invest a greater proportion of assets in the securities of one issuer (within the limit permitted by regulation) as compared to a diversified fund. This could have implications for the performance of the Scheme. The Scheme may be more sensitive to economic, business, political or other changes and this may lead to sizeable fluctuation in the Net Asset Value of the Scheme.
- **Limited Liquidity & Price Risk:** Presently, secondary market for fixed income papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

### Risk Factors - Equity Markets

**Stock Market Volatility:** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. The stock-specific volatility may also change over a period of time as the characteristic of the stock undergoes a change in terms of market-cap category.

**Equity Price Risk:** Stock prices may rise or decline based on a number of factors. These could be a combination of company-specific and system-specific factors. Their impact on different types of stocks may vary. Prices change due to events that impact entire financial markets or industries (for example, changes in inflation, consumer demand, supply situation and GDP growth). Company-specific factors may include the likes of success or failure of a new product, mergers, takeovers, earnings announcement and changes in management, to name a few. Securities owned by the Scheme may offer opportunities for growth because of high potential earnings growth; they may also involve greater risks than securities that do not have the same potential.

**Dependency Risk:** The Scheme may invest in stocks and mutual funds. Equity confers a proportionate share of the ownership of a company. Its value will depend on the success of the company's business, income paid to stockholders by way of dividend, the value of the company's assets, quality of its corporate governance practice, its attractiveness relative to peers and general market conditions. The fund may also invest in convertible securities and warrants. Convertible securities generally are fixed-income securities or preference shares that may be converted into common stock after a prescribed period.

**Temporary Investment Risk:** If the fund manager is of the view that market or economic conditions may become unfavourable for investors in equities, he may invest a higher proportion of the fund's assets in high quality short-term and medium-term fixed income instruments as well as near-cash equivalents. This may be a defensive and temporary strategy. The fund manager may also adopt such a strategy while zeroing in on appropriate investment opportunities or to maintain liquidity. At times, such investments may lead to lower returns. In these circumstances, the Scheme may be unable to achieve its investment goal. Such temporary investment shall not exceed for period more than 30 days

**Non-diversification Risk:** The Scheme may pursue only a limited degree of diversification. It may invest a greater proportion of assets in the securities of one issuer (within the limit permitted by regulation) as compared to a diversified fund. This could have implications for the performance of the Scheme. The Scheme may be more sensitive to economic, business, political or other changes and this may lead to sizeable fluctuation in the Net Asset Value of the Scheme.

**Regulation-Change Risk:** If the Government of India, RBI and/or SEBI decide to alter the regulatory framework for investment in overseas financial assets by mutual funds, it may have an impact on the Scheme's ability to adhere to the investment objective. If and when such an eventuality materialises, the Trustee reserves the right to alter the investment objective of the Scheme or wind up the Scheme. In such cases of fundamental attribute change, the procedure in accordance with SEBI Regulations as highlighted in this document under the heading "F. Fundamental Attributes" will be adhered to.

#### Risk Factors - Derivatives

- **Counter Party Risk:** This is the risk of default of obligations by the counter party. There is, however, no exchange of principal amounts in a derivative transaction.
- **Market risk:** Derivatives carry the risk of adverse changes in the market price.
- **Illiquidity risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
- **Basis Risk:** the risk that the movements in swap rates does not actually reflect the expected movement in benchmark rates, thus, creating a mismatch with what was intended.
- **Model Risk:** this is the risk of mis-pricing or improper valuation of derivatives.

It may be mentioned here that the guidelines issued by Reserve Bank of India from time to time for forward rate agreements, Interest Rate Swaps, futures and other derivative products would be adhered to.

The Scheme may also use various derivative 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.

As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialised instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying instrument could have a large impact on their value. Also, the market for derivative instruments is nascent in India.

The Scheme may use techniques such as Interest Rate Swaps, options on interest rates, warrants, forward rate agreement and other derivative instruments that are / may be permitted under SEBI/RBI Regulation. These techniques and instruments, if imperfectly used, have the risk of the Scheme incurring losses due to mismatches, particularly in a volatile market. The Scheme ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any).

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

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

#### Risk Factors of covered call option strategy:

- **Opportunity loss:** Selling call option means Investment manager are obligated to deliver the stock at predetermined price. In case when the stock price move above the predetermined price, the upside opportunity is lost on the stock, because the Investment Manager had sold a call option

#### Risk Factors - Securities Lending

Securities Lending by the Fund Securities Lending means the lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The borrower will return the securities lent on the expiry of the stipulated period or the lender can call the same back i.e. the scheme before its expiry. The fund may lend the securities for a specific period, to generate better returns on those stocks, which are otherwise bought with the intention to hold for a long period of time. Subject to the SEBI (MF) Regulations and in accordance with



Securities Lending Scheme, 1997, SEBI Circular No MFD/CIR/01/047/99 dated February 10, 1999, SEBI Circular no. SEBI /IMD / CIR No 14 / 187175/ 2009 dated December 15, 2009 and framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/ Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme seeks to engage in Securities Lending.

The AMC shall adhere to the following limits should it engage in Securities Lending.

1. The exposure of the Scheme at the time of lending will be restricted to 20% of its total assets and 5% for a single counter party.
2. The exposure to a single approved intermediary will not exceed 10% of the Total Assets of the Scheme or Rs.5 crore whichever is higher.

**Risk associated with Securities Lending:** Risks associated with Securities Lending may include counter party risk, liquidity risk and other market risks.

#### Risk Factors - Repo in Corporate Bond

Participation of scheme of Sundaram Mutual Fund in repo of corporate debt securities. Presently, the Scheme invests in repo on Government Securities, Treasury Bills and other money market instruments. It is also proposed to invest in the repo of corporate debt securities.

In accordance with SEBI circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and CIR/IMD/DF/23/2012 dated November 15, 2012; scheme of Sundaram Mutual Fund (SMF) shall participate in the corporate bond repo transactions w.e.f. June 21, 2013 as per the guidelines issued by Reserve Bank of India (RBI) from time to time.

Currently the applicable guidelines are as under:

- The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the fixed income allocation.
- The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.
- Mutual Funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 44 (2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

The investment restrictions applicable to the Scheme's participation in the corporate bond repos will also be as prescribed or varied by SEBI or by the Board of Sundaram Trustee Company Limited (subject to SEBI requirements) from time to time.

The following guidelines shall be followed by Sundaram Mutual Fund for participating in repo in corporate debt securities, which have been approved by the Board of AMC and Trustee Company.

- (i) Category of counterparty to be considered for making investment:

All entities eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo transactions.

- (ii) Credit rating of counterparty to be considered for making investment

The schemes shall participate in corporate bond repo transactions with counterparties having a minimum investment grade rating and is approved by the Investment Committee on a case-to-case basis. In case there is no rating available, the Investment Committee will decide the rating of the counterparty, and report the same to the Board from time to time.

- (iii) Tenor of Repo and collateral As a repo seller, the scheme will borrow cash for a period not exceeding 6 months or as per extant regulations.

As a repo buyer, the Scheme are allowed to undertake the transactions for maximum maturity upto one year or such other terms as may be approved by the Investment Committee.

There shall be no restriction / limitation on the tenor of collateral.

- (iv) Applicable haircuts As per RBI circular RBI/2012-13/365 IDMD.PCD. 09/14.03.02/2012-13 dated 07/01/2013, all corporate bond repo transaction will be subject to a minimum haircut given as given below:

(1) AAA : 07.50%

(2) AA+ : 08.50%

(3) AA : 10.00%

The haircut will be applicable on the prevailing market value of the said security on the prevailing on the date of trade.

However, the fund manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the market prevailing liquidity situation.

Risk envisaged and mitigation measures for repo transactions:

Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis.

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may in remote cases suffer losses. This risk is normally mitigated.

In addition to the above, the Internal Investment Committee (IIC) or Credit Committee of the AMC shall prescribe limits, restrictions and conditions for the enhancement proposed. The IIC / Credit Committee will also periodically review the limits, restrictions and conditions at its meeting.

#### Risk Factors - Securitised debt

The Scheme proposes to invest in asset based and mortgage based securities not exceeding 35% of the fixed income allocation.

Depending upon the Investment Manager's views, the Scheme may invest in domestic debt such as ABS or MBS. The investments in domestic securitized debt will be made only after giving due consideration to factors such as but not limited to the securitization structure, quality of underlying receivables, credentials of the servicing agent, level of credit enhancement, liquidity factor, returns provided by the securitized paper vis-a-vis other comparable investment alternatives.

Although the returns provided by securitized debt could be higher, one must not lose sight of the fact that risks also exist with regard to investments in securitized debt. Investments in pass-through certificates of a securitization transaction represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the issuer or the seller, or the parent of the seller, or any affiliate of the seller or the issuer or the trustee in its personal capacity, save to the extent of credit enhancement to be provided by the credit enhancer. The trust's principal asset will be the pool of underlying receivables. The ability of the trust to meet its obligations will be dependent on the receipt and transfer to the designated account of collections made by the servicing agent from the pool, the amount available in the cash collateral account, and any other amounts received by the trust pursuant to the terms of the transaction documents. However, the credit enhancement stipulated in a securitization transaction represents a limited loss cover only. Delinquencies and credit losses may cause depletion of the amount available under the cash collateral account and thereby the scheduled payouts to the investors may get affected if the amount available in the cash collateral account is not enough to cover the shortfall.

Further Unit holders are requested to refer below the disclosure relating to investments in securitized debt, in the SEBI prescribed format:

**(i) How the risk profile of securitized debt fits into the risk appetite of the Scheme:**

The Scheme seeks to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of quality debt securities. In line with the investment objective, securitised debt instruments having a high credit quality commensurate with other debt instruments in the portfolio will be considered for investment.

**(ii) Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc**

The parameters used to evaluate originators are

- Track record
- Willingness to pay, through credit enhancement facilities etc.
- Ability to pay
- Business risk assessment,

wherein following factors are considered: -

Outlook for the economy (domestic and global)

Outlook for the industry - Company specific factors.

In addition a detailed review and assessment of rating rationale is done including interactions with the originator as well as rating agency.

Critical Evaluation Parameters (for pool loan) regarding the originator / underlying issuer:

Default track record/ frequent alteration of redemption conditions / covenants

- High leverage ratios of the ultimate borrower - both on a standalone basis as well on a consolidated level/ group level
- Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be
- Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan, as the case may be.

**(iii) Risk mitigation strategies for investments with each kind of originator**

Analysis of originator: An independent Credit Risk Team analyses and evaluates each originator and sets up limits specifying both the maximum quantum and maximum tenor for investments and investments are considered only within these limits.

Originator analysis typically encompasses:

- Size and reach of the originator
  - Collection process, infrastructure and follow-up mechanism
  - Quality of MIS
  - Credit enhancement for different type of originator
- (iv) The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments**

Eligible assets: Only assets with an established track record of low delinquencies and high credit quality over several business cycles will be considered for investment.

**Analysis of pool:** Characteristics such as average pool maturity (in months), average loan to value ratio, average seasoning of the pool, maximum single exposure, geographical distribution and average single exposure are studied to determine pool quality.

**Risk mitigating measures:** Credit enhancement facilities (including cash, guarantees, excess interest spread, subordinate tranches), liquidity facilities and payment structure are studied in relation to historical collection and default behaviour of the asset class to ensure adequacy of credit enhancement in a stress scenario.

**(v) Minimum retention period of the debt by originator prior to securitization**

We will follow the guidelines on minimum holding period requirements as laid down by SEBI and RBI from time to time.

**(vi) Minimum retention percentage by originator of debts to be securitized**

We will follow the guidelines on minimum holding period requirements as laid down by SEBI and RBI from time to time.

**(vii) The mechanism to tackle conflict of interest when the Mutual Fund invests in securitized debt of an originator and the originator in turn makes investments in that particular Scheme of the Fund**

The AMC has an independent Credit Risk team which is distinct from the Sales function and the Investments function and has a separate reporting and appraisal structure designed to avoid conflict of interest. Investments can be initiated by the fund managers only after the Credit Risk team has assigned limits for the originator. The originator wise limits specify both the maximum quantum and maximum tenor for investments.

**(viii) The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt**

The AMC has a rigorous risk management process for all fixed income investments, which also encompasses securitized debt. A dedicated Credit Risk team is responsible

for monitoring risks including credit and liquidity risk. The functions of the Credit Risk team include:

- Detailed credit analysis of issuers: based on the management evaluation, operating strength and financial strength to determine suitability for investment. Periodic reviews on a quarterly/annual basis are undertaken for eligible issuers. Ratings are monitored on a daily basis and any changes are immediately recorded and suitable action taken.
- Credit Risk team monitors adherence to single and group level exposure norms, minimum rating requirements, liquidity requirements, and ensures that only eligible securities are included in the fund, in line with the Scheme information document/internal templates.

For securitized pool loan exposures, the analysis includes pool seasoning, pool asset quality, diversification, collateral margin, originator analysis and credit enhancement mechanisms. Pool performance statistics published by rating agencies are analysed for performance of other securitised pools of the same originator as well as for the performance of the asset class as a whole. Regular interactions with the rating agencies are done to discuss performance trends. Documents are vetted by the legal and compliance team. In addition, monthly payout reports from the trustees are analysed for collection performance and adequacy of cash collateral.

Framework that is applied while evaluating investment decision relating to a pool securitization transaction (**Refer Annexure A**).

The Scheme will not be investing in foreign securitised debt.

**Some of the risk factors typically analyzed for any securitization transaction are as follows:**

- **Risks associated with investments in Securitised Assets**

A securitization transaction involves sale of receivables by the originator (a bank, non-banking finance company, housing finance company, or a manufacturing/service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by selling his loan receivables to an SPV, receives consideration from investors much before the maturity of the underlying loans. Investors are paid from the collections of the underlying loans from borrowers. Typically, the transaction is provided with a limited amount of credit enhancement (as stipulated by the rating agency for a target (rating), which provides protection to investors against defaults by the underlying borrowers.

**Some of the risk factors typically analyzed for any securitization transaction are as follows:**

- **Risks associated with asset class:** Underlying assets in securitised debt may assume different forms and the general types of receivables include commercial vehicles, auto finance, credit cards, home loans or any such receipts. Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of collateral securing these receivables, adequacy of documentation in case of auto finance and home loans and intentions and credit profile of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.

- **Risks associated with pool characteristics:**

(a) **Size of the loan:** This generally indicates the kind of assets financed with loans. While a pool of loan assets comprising of smaller individual loans provides diversification, if there is excessive reliance on very small ticket size, it may result in difficult and costly recoveries.

(b) **Loan to Value Ratio:** This indicates how much percentage value of the asset is financed by borrower's own equity. The lower LTV, the better it is. This ratio stems from the principle that where the borrowers own contribution of the asset cost is high, the chances of default are lower. To illustrate for a Truck costing Rs. 20 lakh, if the borrower has himself contributed Rs. 10 lakh and has taken only Rs. 10 lakh as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs. 20 lakh if he defaults in repaying an installment. This is as against a borrower who may meet only Rs. 2 lakh out of his own equity for a truck costing Rs. 20 lakh. Between the two scenarios given above, the later would have higher risk of default than the former.

(c) **Original maturity of loans and average seasoning of the pool:** Original maturity indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. Average seasoning indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loans, if a pool of assets consist of those who have already repaid 80% of the instalments without default, this certainly is a superior asset pool than one where only 10% of instalments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.

(d) **Default rate distribution:** This indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is very obvious, as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.

- **Credit Rating and Adequacy of Credit Enhancement:** Unlike in plain vanilla instruments, in securitisation transactions, it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called "Credit enhancement". The process of "Credit enhancement" is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risks inherent for a particular asset class. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collection from the pool of receivables for a given period is short of the contractual payout on securitisation. Securitisation is normally non-recourse instruments and therefore, the repayment on securitisation would have to come from the underlying assets and the credit enhancement. Therefore the rating criteria centrally focus on the quality of the underlying assets.

The Scheme will predominantly invest in those securitisation issuances which have AA and above rating indicating high level of safety from credit risk point of view at the time of making an investment. However, there is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

- **Limited Liquidity & Price Risk:** Presently, the secondary market for securitised papers is not very liquid. There is no

assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

- **Limited Recourse to Originator & Delinquency:** Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The credit enhancement stipulated represents a limited loss cover to the investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the seller or the originator, or the parent or any affiliate of the seller, issuer and originator. No financial recourse is available to the Certificate Holders against the Investors Representative. Delinquencies and credit losses may cause depletion of the amount available under the credit enhancement and thereby the investor pay outs may get affected if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to repay his obligation, the servicer may repossess and sell the underlying Asset. However many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that Obligor.
- **Risks due to possible prepayments:** Weighted Tenor / Yield: Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments Full prepayment of underlying loan contract may arise under any of the following circumstances:
  - a. Obligor pays the receivable due from him at any time prior to the scheduled maturity date of that receivable; or
  - b. Receivable is required to be repurchased by the seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
  - c. The servicer recognizing a contract as a defaulted contract and hence repossessing the underlying asset and selling the same.
  - d. In the event of prepayments, investors may be exposed to changes in tenor and yield.
- **Bankruptcy of the Originator or Seller:** If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a 'True Sale'. Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.
- **Bankruptcy of the Investor's Agent:** If Investor's agent becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor

could experience losses or delays in the payments due under the agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal opinion is normally obtained to the effect that the Investors Agent's recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

- **Risk of co-mingling:** The servicers normally deposit all payments received from the obligors into the collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the loan agreements may not be segregated from other funds of the servicer. If the servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys highest credit rating on standalone basis to minimize co-mingling risk.
- **Risks relating to tax incidence on securitization Special Purpose Vehicles:** In October 2011, the income tax authorities issued a claim on certain securitisation SPVs, stating that the gross income of such SPVs was liable to tax. The Finance Act, 2013, has sought to clarify the tax position by stating that securitisation SPVs are not liable to pay income tax. However, any tax incidence on gross income of SPVs could result in dilution of pay-outs to investors.

#### Risk Factors - REITs/InvITs

- **Interest-Rate Risk:** REITs/InvITs carry interest-rate risk. Generally, when interest rates rise, prices of existing securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
- **Risk of lower than expected distributions:** The distributions by the REITs/InvITs will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the REITs/InvITs receives as dividends or the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate based on, among other things
  - success and economic viability of tenants and off-takers
  - economic cycles and risks inherent in the business which may negatively impact valuations, returns and profitability of portfolio assets
  - debt service requirements and other liabilities of the portfolio assets and fluctuations in the working capital needs
  - ability of portfolio assets to borrow funds and access capital markets
  - amount and timing of capital expenditures on portfolio assets
- **Liquidity Risk:** This refers to the ease with which REITs/InvITs



units can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.

- **Price-Risk:** The valuation of the REITs/InvITs units may fluctuate based on economic conditions, fluctuations in markets (eg. real estate) in which the REITs/InvITs operates. As an indirect shareholder of portfolio assets, unit holders rights are subordinated to the rights of creditors, debt holders and other parties specified under Indian law in the event of insolvency or liquidation of any of the portfolio assets.

The above are some of the common risks associated with investments in REITs/InvITs. There can be no assurance that a Scheme's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

#### Risk Factors - Segregated Portfolio

**Liquidity Risk:** Securities classified under the segregated portfolio will typically be those securities that are thinly traded or not traded at all. Hence these securities will have significant liquidity risk and investors may not be able to redeem their investments.

**Credit Risk:** Securities classified under the segregated portfolio will typically be securities which are undergoing stress with regard to their ability to make principal and interest payments. Hence these securities will have significant credit risk and investors may not be able to redeem / realize their investments and realize. It is also highly likely that these securities will undergo bankruptcy / liquidation processes which further increases the risk of the amount and the time taken for the investor to realize his investment.

#### Minimum Number of Investors & Single-Investor Limit

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. However, if such limit is breached during the NFO of the Scheme, the Mutual Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period.

#### Special Considerations

Prospective investors should review / study this Scheme Information Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/ investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of units and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalisation, disposal (sale, transfer, switch or redemption or conversion into money) of units within their jurisdiction / of nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Scheme to be used to purchase/gift units are subject, and (also) to determine possible legal, tax, financial or other consequences of subscribing / gifting to, purchasing or holding units before making an application for units.

Neither this Scheme Information Document nor the units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme Information Document in certain jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this Scheme Information Document or any accompanying application form in such jurisdiction may treat this Scheme Information Document or such application form as constituting an invitation to them to subscribe for units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Neither the delivery of this Scheme Information Document nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct.

#### Creation of segregated portfolio in case of credit event

SEBI vide circular number SEBI/HO/IMD/DF2/CIR/P/2018/160 and dated 28th December 2018 prescribed the procedure for segregation of portfolio in mutual fund schemes. Following is the extract from the circular:

1. Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
  - a. Downgrade of a debt or money market instrument to 'below investment grade', or
  - b. Subsequent downgrades, or
  - c. Similar such downgrades of a loan rating.
2. In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events and implemented at the ISIN level.
3. Creation of segregated portfolio shall be optional and at the discretion of the AMC. It should be created only if the SID of the scheme has provisions for segregated portfolio with adequate disclosures.
4. AMCs shall have a detailed written down policy on creation of segregated portfolio and the same shall be approved by the trustees.

## 5. Process for creation of segregated portfolio

- a. AMC shall decide on creation of segregated portfolio on the day of credit event. Once an AMC decides to segregate portfolio, it shall
  - i. seek approval of trustees prior to creation of the segregated portfolio.
  - ii. immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors.
  - iii. ensure that till the time the trustee approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.
- b. Once trustee approval is received by the AMC,
  - i. Segregated portfolio shall be effective from the day of credit event
  - ii. AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
  - iii. An e-mail or SMS should be sent to all unit holders of the concerned scheme.
  - iv. The NAV of both segregated and main portfolio shall be disclosed from the day of the credit event.
  - v. All existing investors in the scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.
  - vi. No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.
- c. If the trustees do not approve the proposal to segregate portfolio, AMC shall issue a press release immediately informing investors of the same.

## 6. Valuation and processing of subscriptions and redemptions

- a. the valuation should take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets).
- b. All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under:
  - i. Upon trustees' approval to create a segregated portfolio -
    - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will

continue to hold the units of segregated portfolio.

- Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
- ii. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio (scheme portfolio including the securities affected by the credit event).

## 7. Disclosure Requirements

- a. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
- b. Adequate disclosure of the segregated portfolio shall appear in all scheme related documents.
- c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
- d. The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
- e. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.
- f. The disclosures at paragraph (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
- g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

## 8. TER for the Segregated Portfolio

- a. AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
- b. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
- c. The legal charges related to recovery of the investments

of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.

- d. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

9. Monitoring by Trustees

- a. In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:
- The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
  - Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
  - An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every trustee meeting till the investments are fully recovered/ written-off.
  - The trustees shall monitor the compliance of this circular and disclose in the half-yearly trustee reports filed with SEBI, the compliance in respect of every segregated portfolio created.
- b. In order to avoid mis-use of segregated portfolio, trustees shall ensure to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the scheme.

10. The existence of the provisions for segregated portfolio should not encourage the AMCs to take undue credit risk in the scheme portfolio.

In partial modification to SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 on 'Creation of segregated portfolio in mutual fund schemes', it has been decided by SEBI to permit creation of segregated portfolio of unrated debt or money market instruments by mutual fund schemes of an issuer that does not have any outstanding rated debt or money market instruments, vide circular number SEBI/HO/IMD/DF2/CIR/P/2019/127, dated 07th November 2019, subject to the following:

- Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount.
- AMCs will inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to

dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt or money market instruments of the said issuer in terms of SEBI circular dated December 28, 2018.

**The Scheme intends to have the ability to create a segregated portfolio in line with the above SEBI circular.**

**Example of Segregation:**

The below table shows how a security affected by a credit event will be segregated and its impact on investors. Whether the distressed security is held in the original portfolio or the segregated portfolio, the value of the investors holdings will remain the same on the date of the credit event. Over time, the NAV of the portfolios are subject to change.

**Key Assumptions:** We have assumed a Scheme consists of 3 Securities (A, B, and C). It has two investors with total of 10,000 units. (Investors 1 – 6,000 Units, Investors 2- 4,000 units)

Total Portfolio Value of Rs. 30 Lakhs (Each Security invested Rs. 10 Lakh)

Current NAV :  $30,00,000/10,000 = \text{Rs. } 300 \text{ Per Unit}$

Suppose Security A is downgraded to below investment grade and consequently the value of the security falls from Rs. 10,00,000 to Rs. 4,00,000 and the AMC decides to segregate the security into a new portfolio. Investors will be allotted the same number of units in the segregated portfolio as they hold in the main portfolio. So, Investor 1 will get 6,000 Units and Investor 2 will get 4,000 units in the segregated portfolio.

With Segregation – Portfolio Value is Rs. 24,00,000 (Now B & C Securities worth Rs. 20 Lakh and Security A has fallen from Rs. 10,00,000 to Rs. 4,00,000)

	Main Portfolio (Security of B & C)	Segregated Portfolio (Security A)
Net Assets	Rs. 20,00,000	Rs. 4,00,000
Number of Units	10,000	10,000
NAV per Unit	$\text{Rs. } 20,00,000/10,000 = \text{Rs. } 200$	$\text{Rs. } 4,00,000/10,000 = \text{Rs. } 40$

With respect to Investors.

	Investor 1	Investor 2
Units held in Main portfolio (No. of Units)	6,000	4,000
NAV of Main Portfolio	Rs. 200 per Unit	Rs. 200 per unit
Value of Holding in Main Portfolio (A) – Rs.	12,00,000	8,00,000
Units Held in Segregated Portfolio	6,000	4,000
NAV of Segregated Portfolio	Rs. 40 Per unit	Rs. 40 Per unit
Value of Holding in Segregated Portfolio (B) – Rs.	2,40,000	1,60,000
Total Value of Holdings (A) + (B) – Rs.	14,40,000	9,60,000

In case if it does not segregate (Total Portfolio would be)

Net Assets of the Portfolio Rs. 24,00,000 ( Rs. 4,00,000 in Security A and Rs. 10,00,000 in Security B and Rs. 10,00,000 in Security C	No . of Units 10,000	NAV per unit Rs. 24,00,000/ 10,000= Rs. 240
	<b>Investor 1</b>	<b>Investor 2</b>
Units held in Original portfolio (No. of Units)	6,000	4,000
NAV of Original Portfolio	Rs. 240 Per Unit	Rs. 240 Per Unit
Value of Holding - Rs.	14,40,000	9,60,000

**Note:**

1. The term 'segregated portfolio' shall mean a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.
2. The term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio.
3. The term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

**Details under FATCA/Common Reporting Standards  
(CRS)/Foreign Tax Laws**

Compliance under Foreign Account Tax Compliance Act /Common Reporting Standard requirements: Foreign Account Tax Compliance Act: Foreign Account Tax Compliance Act ("FATCA") is a United States (US) law aimed at prevention of tax evasion by US citizens and residents ("US Persons") through use of offshore accounts. FATCA obligates foreign financial institution (FFIs), including Indian financial institutions to provide the US Internal Revenue Service (IRS) with information on the accounts of to report accounts held by specified US Persons. FATCA requires enhanced due diligence processes by the FFI so as to identify US reportable accounts. With respect to individuals, the US reportable accounts would cover those with US citizenship or US residency. The identification of US person will be based on one or more of following "US indicia" • Identification of the Account Holder as a US citizen or resident; Unambiguous indication of a US place of birth; • Current US mailing or residence address (including a US post office box); • Current US telephone number; • Standing instructions to transfer funds to an account maintained in USA; • Current effective power of attorney or signing authority granted to a person with a US address; or • An "in-care of or "hold mail" address that is the sole address that the Indian Financial Institution has on the file for the Account Holder. Since domestic laws of sovereign countries, (including India) may not permit sharing of confidential client information by FFIs directly with US IRS, the U.S. has entered into Inter-Governmental Agreement (IGA) with various countries. The IGA between India and USA was signed on 9th July, 2015, which

provides that the Indian FIs will provide the necessary information to Indian tax authorities, which will then be transmitted to USA automatically. Common Reporting Standard - The New Global Standard for Automatic Exchange of Information: On similar lines as FATCA, the Organization of Economic Development (OECD), along with the G20 countries, of which India is a member, has released a "Standard for Automatic Exchange of Financial Account Information in Tax Matters", in order to combat the problem of offshore tax evasion and avoidance and stashing of unaccounted money abroad, requiring cooperation amongst tax authorities. The G20 and OECD countries have together developed a Common Reporting Standard (CRS) on Automatic Exchange of Information (AEOI). The CRS on AEOI was presented to G20 Leaders in Brisbane on 16th November, 2014. On June 3, 2015, India has joined the Multilateral Competent Authority Agreement (MCAA) on AEOI. The CRS on AEOI requires the financial institutions of the "source" jurisdiction to collect and report information to their tax authorities about account holders "resident" in other countries, such information having to be transmitted "automatically" annually. The information to be exchanged relates not only to individuals, but also to shell companies and trusts having beneficial ownership or interest in the "resident" countries. Accordingly with effect from November 1, 2015 all investors will have to mandatorily provide the details and declaration pertaining to FATCA/CRS for all new accounts opened, failing which the AMC shall reject the application.

Sundaram Mutual Fund / the AMC is classified as a 'Foreign Financial Institution' under the FATCA provisions. Accordingly, the AMC / Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information / documentary evidences of the US and / or non-US status of its investors / Unit holders and disclose such information (directly or through its agents or service providers) as far as may be legally permitted about the holdings / investment returns to US Internal Revenue Service (IRS) and / or the Indian Tax Authorities. The AMC has registered with US Internal Revenue Service (IRS) and has obtained a Global Intermediary Identification Number (GIIN): EY9227.99999.SL.356 for the said reporting purposes.

FATCA/CRS due diligence will be directed at each investor / Unit holder (including joint investor) and on being identified as a reportable person / specified US person, all the folios will be reported. In case of folios with joint holders, the entire account value of the investment portfolio will be attributable under each such reportable person. An investor / Unit holder will therefore be required to furnish such information as and when sought by the AMC in order to comply with the information reporting requirements stated in IGA and circulars issued by SEBI/Government of India in this regard from time to time. The information disclosed may include (but is not limited to) the identity of the investors and their direct or indirect beneficiaries, beneficial owners and controlling persons. Investors / Unitholders should consult their tax advisors regarding FATCA/CRS requirements with respect to their situation.



## Framework for pool securitization transaction

## Annexure A

Characteristics / Type of Pool Mortgage Loan Commercial Vehicle and Construction Equipment CAR 2 wheelers Others	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Others
Approximate Average maturity (in Months)	In line with average maturity of mortgage loans as per industry norms. Typically less than 10 years.	In line with average maturity of Commercial Vehicle and Construction Equipment loans as per industry norms. Typically less than 4 years.	In line with average maturity of car loans as per industry norms. Typically less than 4 years.	In line with average maturity of two wheeler loans as per industry norms. Typically less than 4 years.	In line with average maturity of the asset class as per industry norms.
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.
Average Loan to Value Ratio	In line with average Loan to Value ratio of mortgage loans as per industry norms. Typically less than 80 per cent.	In line with average Loan to Value ratio of Commercial Vehicle and Construction Equipment loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of car loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of two-wheeler loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of the asset class loans as per industry norms.
Average seasoning of the Pool	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time.
Maximum single exposure range	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%
Average single exposure range %	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%

\* Kindly note that all references to single loan securitization has been removed as securitization of single corporate loans are no longer envisaged under revised RBI guidelines on securitization

**A. Type (Fundamental Attribute)**

An open ended dynamic asset allocation fund

**B. Investment Objective (Fundamental Attribute)**

The investment objective of the Scheme is to provide accrual income and capital appreciation by investing in a mix of equity, debt, REITs/InvITs and equity derivatives that are managed dynamically.

**No Guarantee:** There is no guarantee or assurance that the investment objective of the scheme will be achieved. Investors are neither being offered any guaranteed / indicated returns nor any guarantee on repayment of capital by the Schemes. There is also no guarantee of capital or return either by the mutual fund or by the sponsor or by the Asset management Company.

**C. Asset Allocation (Fundamental Attribute)**

	Minimum	Maximum	Risk Profile
Equity & Equity related instruments	0%	100%	High
Fixed Income, Money Market Instruments and Government Securities			Low to Medium
Cash and Cash Equivalents	0%	100%	
Units issued by REITs / InvITs	0%	10%	Medium to High

- The Scheme may use derivatives for trading, investment, hedging and portfolio balancing. Exposure to derivatives will be limited to 50% of the net asset value of the Scheme at the time of transaction.
- The scheme may invest in securitized debt upto 35% of the fixed income allocation (including accrued interest)
- The scheme shall engage in securities lending subject a maximum of 20% and 5% for a single counter party.
- The scheme may invest in repo in corporate bond upto 10% of the net assets of the fixed income allocation, in accordance with SEBI regulations.
- The Scheme will not invest in foreign securities and credit default swaps.

Money Market Instruments includes Certificate of Deposits, Commercial Papers, T Bills, Government Securities having an unexpired maturity up to 1 Year, Call or notice Money, Non Convertible Debentures of original or initial maturity up to one year, Commercial Bills, TREPS, Reverse Repo and any other instruments as defined by RBI/SEBI from time to time.

Derivative Exposure is calculated as a percentage of the notional value to the net assets of the Scheme. The Scheme will maintain cash or securities to cover exposure to derivatives.

The margin money requirement for the purposes of derivative exposure will be held also in the form of Term Deposits, cash or cash equivalents or as may be allowed under the Regulations.

The cumulative gross exposure to equity, debt, money market instruments, REITs/InvITs and derivatives shall not exceed 100% of the net assets of the scheme, subject to SEBI circular No. cir/

ImD/ DF/ 11/ 2010 dated august 18, 2010. the same-security-wise hedge positions would be excluded from computing the percentage.

Pending deployment in line with the investment objective, the funds of the Scheme may be invested in short-term deposits with scheduled commercial banks in accordance with SEBI Circulars SEBI/IMD/CIR No.9/20306/03 dated November 12, 2003, SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007 and SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019.

The Scheme shall commence investment only on completion of the New Fund Offer period according to its objective. Scheme is permitted to invest in money market instruments during the NFO period.

**Investment in Triparty Repo Trades (TREPS) before the closure of NFO:**

The scheme may deploy the NFO proceeds in TREPS during the NFO period. The appreciation received from investment in TREPS shall be passed on to investors. In case if the scheme is not able to garner the minimum subscription amount during the NFO period the interest earned upon investment of NFO proceeds in TREPS shall be returned to investors, in proportion of their investments, along-with the refund of the subscription amount. The AMC shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period.

**Portfolio rebalancing/Changes in Investment Pattern:** Subject to SEBI Regulations, the asset allocation pattern may change from time to time for a short term and for defensive considerations, keeping in view the market conditions/ applicable regulations/political & economic factors, the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Rebalancing across sectors and stocks shall be a dynamic exercise as this is crucial to performance.

The Fund Manager of the Scheme shall examine factors such as the overall macro-economic conditions, valuation levels, sectorspecific factors, company-specific factors and trends in liquidity, to name a few, and reduce the equity exposure, if warranted, to lower levels and raise the fixed income component of the portfolio as a tactical call.

The Fund Manager shall seek to raise the equity exposure if the environment is conducive. This process of rebalancing may take place in a dynamic manner on a regular basis. Cash calls (with deployment in appropriate money-market and fixed-income securities), derivatives, changes in the degree of overweight and underweight to sectors and changes in allocation levels to stocks with varying attributes be used to balance the portfolio.

If the macro-economic conditions and market levels warrant, the fund manager may on an exceptional basis, reduce the equity exposure and raise the fixed-income component of the portfolio beyond the asset allocation boundary indicated in the asset allocation table for normal circumstances. Such an allocation in exceptional circumstances shall be adopted with the approval of the Internal Investment Committee of Sundaram Asset Management.

In the event of deviations, the fund manager will carry out

rebalancing within 30 days. Where the portfolio is not rebalanced within 30 days, justification for the same shall be placed before the Internal Investment Committee and reasons for the same shall be recorded in writing. The Internal Investment Committee of the Investment Manager, shall then decide on the course of action. However, at all times the portfolio will endeavour to the overall investment objectives of the Scheme.

#### D. Indicative Investment Universe

In order to achieve the investment objective, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- Equity and equity-related securities including Convertible bonds and Debentures and Warrants carrying the right to obtain equity shares and derivative instruments. (For limits on Derivatives, please refer the Section "Derivatives").
- Debt securities of the Government of India, State and local Governments, Government agencies, Statutory bodies, Public Sector Undertakings, Scheduled Commercial Banks, Non-Banking Finance Companies, Development Financial Institutions, Corporate entities.
- Debt and Money Market securities and such other securities as may be permitted by SEBI and RBI regulation from time to time.
- Money Market Instruments includes Certificate of Deposits, Commercial Papers, T Bills, Government Securities having an unexpired maturity up to 1 Year, Call or notice Money, Non Convertible Debentures of original or initial maturity up to one year, Commercial Bills, TREPS, Reverse Repo and any other instruments as defined by RBI/SEBI from time to time.
- The Scheme may use techniques such as Interest Rate Swaps, options on interest rates, warrants, forward rate agreement and other derivative instruments that are / may be permitted under SEBI/RBI Regulation.

Exposure to a single counterparty in interest rate swap transactions shall not exceed 10% of the net assets of the scheme.

- The non-convertible part of convertible securities.
- Units of Mutual funds as may be permitted by regulation.
- Any other like instruments as may be permitted by RBI / SEBI / such other Regulatory Authority from time to time. The securities mentioned above and such other securities the Scheme is permitted to invest in, could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity bearing fixed-rate or floating coupon rate. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repo and reverse repo obligations on Gsecs held by it as per the guidelines and regulation applicable to such transactions.
- The Scheme shall invest in the instruments rated as investment grade or above by a recognised rating agency. In case, the instruments are not rated, specific approval of the Board of Trustees shall be obtained.
- The Scheme may invest in other Schemes under the same

AMC 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 management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund.

- Investing in Securitized Debt, Repo in corporate bond and Securities Lending.
- The margin money requirement for the purposes of derivative exposure will be held also in the form of Term Deposits, cash or cash equivalents or as may be allowed under the Regulations.
- Pending deployment of funds in terms of investment objectives of the Scheme, the funds may be invested in short term deposits with scheduled Commercial Banks in accordance SEBI Circulars SEBI/IMD/CIR No.9/20306/03 dated November 12, 2003, SEBI/IMD/Cir No.1/91171/07 dated April 16, 2007 and SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019.

#### Brief note on Fixed-Income and Money Market in India

##### (i) Debt Instrument Characteristics:

A Debt Instrument is basically an obligation which the borrower has to service periodically and generally has the following features:

Face Value: Stated value of the paper /Principal Amount

Coupon: Zero, fixed or floating

Frequency: Semi-annual; annual, sometimes quarterly

Maturity: Bullet, staggered

Redemption: FV; premium or discount

Options: Call/Put

Issue Price: Par (FV) or premium or discount

A debt instrument comprises of a unique series of cash flows for each paper, terms of which are decided at the time of issue. Discounting these cash flows to the present value at various applicable discount rates (market rates) provides the market price.

##### (ii) Types of Debt Market Instruments:

The Indian Debt market comprises of the Money Market and the Long Term Debt Market.

*Money market instruments* are Commercial Papers (CPs), Certificates of Deposit (CDs), Treasury Bills (T-bills), Repos, Inter-bank Call money deposit, TREPS etc. They are mostly discounted instruments that are issued at a discount to face value.

*Money market instruments* have a tenor of less than one year while debt market instruments typically have a tenor of more than one year.

*Long Term Debt market* in India comprises mainly of two segments viz., the Government securities market and the corporate securities market.

*Government securities* include central, state and local issues. The main instruments in this market are dated securities (Fixed or Floating) and Treasury Bills (Discounted Papers). The Central

Government securities are generally issued through auctions on the basis of 'Uniform price' method or 'Multiple price' method while State Govt. are through on-tap sales.

*Corporate Debt* segment on the other hand includes bonds/debentures issued by private corporates, public sector units (PSUs) and development financial institutions (DFIs). The debentures are rated by a rating agency and based on the feedback from the market, the issue is priced accordingly. The bonds issued may be fixed or floating. The floating rate debt market has emerged as an active market in the rising interest rate scenario. Benchmarks range from Overnight rates or Treasury benchmarks.

*Debt derivatives market* comprises mainly of Interest Rate Swaps linked to Overnight benchmarks called MIBOR (Mumbai Inter Bank Offered Rate) and is an active market. Banks and corporate are major players here and of late Mutual Funds have also started hedging their exposures through these products.

The following table gives approximate yields prevailing during the month of November 2019 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy

Issuer	Instruments	Maturity	Yields
GOI	Treasury Bill	91 days	5.03%
GOI	Treasury Bill	364 days	5.22%
GOI	Short Dated	1-3 Yrs	5.47% - 5.95%
GOI	Medium Dated	3-5 Yrs	5.95% - 6.23%
GOI	Long Dated	5-10 Yrs	6.23% - 6.49%
Corporates	Bonds (AAA)	1 - 3 years	6.51% - 6.99%
Corporates	Bonds (AAA)	3 - 5 years	6.99% - 7.34%
Corporates	CPs (A1+)	3 months - 1 yr	5.53%-7.07%
Banks	CDs	3 months - 1 yr	5.83%-6.27%

Source: Bloomberg.

As on November 06, 2019

### (iii) Regulators:

The RBI operates both as the monetary authority and the debt manager to the government. In its role as a monetary authority, the RBI participates in the market through open-market operations as well as through Liquidity Adjustment Facility (LAF) to regulate the money supply. It also regulates the bank rate and repo rate, and uses these rates as indirect tools for its monetary policy. The RBI as the debt manager issues the securities at the cheapest possible rate. The SEBI regulates the debt instruments listed on the stock exchanges.

### (iv) Fixed income and money market segments

The market for fixed-income securities in India can be briefly divided into the following segments:

- The money market – The market for borrowing / lending money;
- The securities market – The market for trading in securities and
- The derivatives market – The market for fixed income derivatives.

In this predominantly institutional market, the key market players are banks, financial institutions, insurance companies, mutual

funds, primary dealers and companies. Provident / pension funds, though present, are not active players.

### The Money Market

The money market can be classified into two broad categories

The market for clean borrowing/lending without backing of any collateral:

- Call Money: The market for overnight borrowing/lending.
- Notice Money: The market for borrowing/lending from 2 days to a fortnight.
- Term Money: The market for borrowing/lending from a fortnight to six months.

The market for collateralised borrowing/lending:

- Repo transactions: These are redemption-obligation transactions in which the borrower tenders securities to the lender; these securities are bought back by the borrower on the redemption date. The price difference between the sale and redemption of the securities is the implicit interest rate for the borrowing/lending. The eligible underlying securities for these transactions are Government securities and Treasury Bills. Corporate bonds are not allowed as eligible securities for repo transactions. The minimum repo term (lending /borrowing period) is one day.
- TREPS: TREPS stands for Triparty Repo Trades. TREPS is a discount instrument introduced by the Clearing Corporation of India Limited (CCIL). They can be traded like any other discount instrument. Lenders buy TREPS and borrowers sell TREPS. CCIL manages the risks inherent in issuing these securities through a system of margins and deposits that it takes from both lenders and borrowers. TREPS can be issued/bought/sold for a minimum of one day to a maximum of 364 days.

Risks of investing in TREPS is minimal as the underlying securities are Government Securities. Hence, there is no credit risk. Settlement is done through CCIL, which reduces counter party risk. Interest rate on TREPS is determined by Overnight rates and hence is subjected to a limited amount of volatility.

### The Securities Market

The market for fixed-income securities can be broadly classified into

- The market for Money market (short-term) instruments: Money-market securities are generally discount securities maturing within one year from the date of issuance. Instruments satisfying this criterion are Treasury Bills (obligations of the government), Commercial Paper (obligations of the corporate sector) and Certificate of Deposit (obligations of banks).
- The market for Government securities: Government securities are medium-/long-term fixed income securities of the government. The market for Government securities is the most liquid segment of the fixed-income market in India. Most of the secondary market trading is concentrated in Government securities. Trading in Government securities is now done mostly through an electronic trading, reporting and settlement



platform developed by the Reserve Bank of India (RBI) called Negotiated Dealing System. The role of brokers, which was an important element of the Indian bond market, is now less significant in this segment than in the past.

- The market for Corporate Bonds: Trading in Corporate Bonds is relatively subdued (in comparison to Government securities). Price discovery and trading in this segment are still through the telephone. Attempts at improving the trading, settlement and risk-management practices for trading corporate bonds are currently underway.
- The market for floating-rate securities: The coupon rate in floating-rate securities is linked to an acceptable benchmark. Floating-rate securities generally have a coupon rate, which is reset over a regular period depending on the benchmark chosen. The market widely uses the MIBOR benchmarks announced by Independent agencies such as NSE and Reuters. When benchmark interest rate rises, the income generated on these floating-rate securities may also rise. When the benchmark interest rates decline, the income generated on these floating-rate securities may decline. Increasingly more companies are raising resource through floating-rate securities. Most of such securities are in the form of floating-rate debentures at a spread over NSE MIBOR. The other popular benchmark is the Indian Government securities benchmark yield (known as INBMK). The reset in such cases happen after a period of time, generally six months. The Government of India has also started issuing floating-rate securities using INBMK 1 year as the benchmark.

### The Fixed-Income Derivatives Market

The interest-rate derivatives market is at a developing stage in India. Instruments broadly transacted are • Interest Rate Swaps • Interest Rate Futures and • Forward Rate Agreements.

- *Interest Rate Swaps*: This is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed-to-floating-rate swap where one party receives a fixed (pre-determined) rate of interest while the other receives a floating (variable) rate of interest.
- *Interest Rate Future (IRF)*: An interest rate futures contract is "an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today." Interest rate futures are derivative contracts which have a notional interest bearing security as the underlying instrument. The buyer of an interest rate futures contract agrees to take delivery of the underlying debt instruments when the contract expires and the seller of interest rate futures agrees to deliver the debt instrument. The fund can effectively use interest rate futures to hedge from increase in interest rates.
- *Forward Rate Agreement*: This is basically a forward-starting interest-rate swap. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. The notional amounts are not exchanged.

### (v) Market Participants:

Given the large size of the trades, the debt market has remained predominantly a wholesale market.

#### Primary Dealers

Primary Dealers (PDs) act as underwriters in the primary market, and as market makers in the secondary market.

#### Brokers

Brokers bring together counterparties and negotiate terms of the trade.

#### Investors

Banks, Insurance Companies, Mutual Funds are important players in the debt market. Other players are Trusts, Provident and pension funds.

### (vi) Trading Mechanism:

Government securities and Money Market Instruments

Negotiated Dealing System (NDS) is an electronic platform for facilitating dealing and online reporting of transactions. Government securities (including T-bills), call money, notice/term money, repos in eligible securities, etc. are available for negotiated dealing through NDS. Currently G-Sec deals are done telephonically and reported on NDS.

Corporate Debt is basically a phone driven market where deals are concluded verbally over recorded lines. The reporting of trade is done on the NSE Wholesale Debt Market segment.

### Equity Derivatives

The scheme may invest in derivative instruments for the purpose of hedging, portfolio balancing and trading. The limits and conditions and restrictions prescribed by SEBI vide circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 shall be followed.

Derivatives are financial contracts or instruments that derive their value from an underlying asset. Derivatives may be used for hedging, portfolio balancing and trading purposes to seek to optimise performance in the Scheme and will be subject to applicable Regulations of SEBI/RBI from time to time.

Portfolio balancing includes any type of deals in derivatives as long as they are fully covered by holding a position in the underlying securities/ cash/cash equivalents/options/ futures. Trading is permitted only in exchange-traded derivatives. The derivatives shall be marked-to-market by the Investment Manager at all times.

Transactions in derivatives include a wide range of instruments, including, but not limited to futures, options, swaps, and Interest Rate Swaps, Forward Rate Agreements and any other instrument as may be permitted by SEBI/RBI from time to time.

**Futures:** A purchase of futures contract obligates the purchaser to take delivery of the underlying asset at the expiry of the contract. The transaction is netted at the end of the contract and the difference settled between the investor & the clearing house. A part of value of the contract – 15% to 25% on an average (the number could be higher for specific contracts or for all contracts at specific times) – is the margin.

Payoffs in futures are linear with reference to the underlying and

the risk is basically directional. Buyers and sellers of futures carry equal risk.

The margin depends on volatility of the underlying asset and the difference between the spot price and the contract price, to name a few influencing variables.

*Please note that the following illustrative examples are given for information purposes only and are based on hypothetical values for the NIFTY 50 and/or stock.*

*Example for index futures:* Stock index futures are instruments designed to give exposure to the equity markets indices. The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE) have trading in index futures of 1, 2 and 3 month maturities.

The pricing of an index future is the function of the underlying index and short term interest rates. Index futures are cash settled, there is no delivery of the underlying stocks.

If a Scheme buys 1,000 futures contracts, each contract value is 200 times the futures index price. Purchase date: May 01, 2015. Spot index: 2000.00 Future price: 2010.00 Date of expiry: May 25, 2015. If the exchange imposes a margin of 10%, the Investment Manager will be required to provide Rs.40,200,000 (i.e.  $10\% \times 2010 \times 1000 \times 200$ ) by way of eligible securities and/or cash. If on the date of expiry – May 25, 2015 - the S&P CNX Nifty Index closes at 2025, the net impact will be a profit of Rs. 3,000,000 for the Scheme ( $(2025-2010) \times 1000 \times 200$ ).

The profit or loss for the Scheme will be the difference between the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to those associated with equity investments plus there are additional risks with additional risks highlighted in the Risk Factors part of this document.

*Example for stock futures:* A futures contract on a stock gives its owner the right and obligation to buy or sell stocks. Single stock futures traded on the NSE are cash settled; there is no delivery of the underlying stocks on the expiration date.

A purchase or sale of futures on a security gives the trader essentially the same price exposure as a purchase or sale of the security itself. Trading stock futures is no different from trading the security itself.

The Scheme buys shares of A Ltd. Its current price is Rs 500. The Scheme sells one month futures on the shares of A Ltd at Rs 550. If the price of the stock declines, the Mutual Fund will suffer losses on the stock position held and profit on futures position. The price of stock on the expiry date is Rs 450. The price of the futures on the stock declines to Rs 480. There is a loss of Rs. 50 per share on the holding of the stock. This is offset by profit of Rs 70 on the short position in stock futures.

Risks associated with stock futures are similar to those associated with equity investments plus there are additional risks with additional risks highlighted in the Risk Factors part of this document.

**Options:** An option gives the owner the right to buy or sell the underlying asset based on specific prices trends but the not the obligation. The option will be exercised if the outcome is

favourable to the owner. A call option gives the owner a right to buy the underlying asset at a pre-determined price on a pre-specified date. A put option gives the owner the right to sell a security at a pre-determined price on a pre-specified date.

Risk is limited (or known) to premium if call or put options are purchased. If options are sold, the risk is unlimited (or unknown). The risk of the unknown can be mitigated by staying covered, using covered calls or bull/bear spread, to name a few strategies. Payoffs in options are non-linear.

*Example of options:*

*Please note that the following illustrative examples are given for information purposes only and are based on hypothetical values for the NIFTY 50 and/or stock.*

The Scheme owns 10000 shares of A with a current market price of Rs 160. The view of the fund manager is that the price could decline by Rs 10 – Rs 12 over a one-month period. The fund manager does, however, wish to hold the shares due to the positive long-term outlook. The fund manager can cover the expected near-term decline by buying a put.

The buyer has the choice to buy the shares at Rs 160 on expiry date (usually the last Thursday of a month). The following are examples based on price trends after one month:

- if the stock price declines to Rs 150, the buyer of the call option will not exercise the right to buy as the stock can be purchased at a lower price in the spot market. The fund manager has ensured that the Rs 160 prevailing at the time of selling the option is protected through a combination of market price of Rs 150 and earned premium of Rs 10;
- If the stock price dips below Rs 150, the buyer will not exercise the option. The loss for the fund manager is limited to the extent to which price dips below Rs 150, as the decline from Rs 160 to Rs 150 is covered by the earned premium;
- If the stock price rises to Rs 170, the buyer of the option will exercise the right to buy the shares he can buy them at the strike price of Rs 160 and if he chooses to sell at the spot of Rs 170 to make a profit of Rs 10 per share. This price trend is, however, contrary to the expectations of the fund manager. There is no loss for the fund manager as he has already received Rs 10 as premium. This will ensure that his effective price in meeting the commitment to the holder of the call option is Rs 160 and
- If the stock price rises to more than Rs 170, the buyer will exercise the option. The loss to the fund manager will be limited to the extent to which the price is higher than Rs 170, as the premium of Rs 10 will cover partially the higher cost of the shares that have to be purchased to meet the commitment under the option.

#### Covered Call writing Option Strategy:

Covered call option strategy is selling a call option on the shares which an investor owns. Under this strategy the investor has taken on the potential obligation to deliver the shares to the option buyer and accepts the predetermine price (option strike price) as the price at which he will sell the shares. For his willingness to do this, the investor receives a premium.

**Benefits of covered call option strategy:**

- If the Fund Manager is of a view, that the stock price is going to be range bound for a specified tenure, then writing a call option is advantageous, as the writer receives an option premium.
- Writing can also act as a good alternative for playing relative outperformance for stocks held in portfolios within same sector.
- Stocks held in the portfolio can be effectively hedged in extreme volatility in the market.

**Illustration - Covered Call Strategy using stock call options:**

A fund manager buys equity stock of ABC Ltd. for Rs. 1,000 and sells a call option on the same stock at a strike price of Rs. 1,100. It is assumed that the Scheme has earned a premium of Rs. 50 on the call option sold. The fund manager is of the opinion that the stock price will not exceed Rs. 1100, during the period of the option.

**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. 1,100. Since the scheme has earned a premium of Rs. 50, the Net Gain would be Rs. 150 (Rs. 100 stock appreciation + Rs. 50 call option premium)

**Scenario 2: Stock price trades between Rs. 1000 and Rs. 1100 at say Rs 1050:** The call option will not get exercised and will expire worthless. Since the scheme has earned a premium of Rs. 50, the Net Gain would be Rs. 100 (Rs. 50 stock appreciation + Rs. 50 call option premium)

**Products:** The derivative products currently available in India include futures on the Index (Nifty and Sensex) options on the Index (Nifty and Sensex), stock futures and options on stocks, to name a few.

**Use of derivatives to further investment objective of the Scheme:** Sundaram Mutual Fund may use derivatives to seek outcomes that are not possible in the cash market. For example:

- A short position in index futures or futures on a particular stock may be initiated to hedge a long position in the cash market;
- The Investment Manager can buy put options with appropriate strike price as a hedge for a decline in price of stocks owned in the Scheme;
- Options may be sold to augment income through the premium paid by the buyer;
- Sell puts on a stock with strike prices at levels the fund seeks to buy the stock;
- Sell calls on stocks in the portfolio of the Scheme at strike prices that are at levels viewed as a selling opportunity by the Investment Manager and
- If the index futures trade at a steep discount or premium to the spot, the Scheme can take advantage of the situation by switching out of stocks into futures or vice versa. At the expiry of the futures contract, its price will have to converge with the spot, as the last settlement will be with reference to the spot price. Arbitrage profit, if any, may augment NAV of the Scheme.

Use of derivatives by the Mutual Fund:

**Trading in derivatives**

- Derivatives are high risk, high return instruments as they may be highly leveraged. A small price movement in the underlying security could have a large impact on their value and may also result in a loss.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- The fund may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements or other fixed income derivatives.
- Credit Risk:** The credit risk in a derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction.
- Market risk:** Derivatives carry the risk of adverse changes in the market price.
- Illiquidity risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
- It may be mentioned here that the guidelines issued by Reserve Bank of India from time to time for Forward Rate Agreements and Interest Rate Swaps and other derivative products would be adhered to.

The Fund's trading in derivatives would be in line that is permitted by SEBI Regulations from time to time. The Fund may use derivatives instruments like Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and as may be permitted under the Regulations and guidelines and any hedging techniques that are permissible now or in future, under SEBI regulations, in consonance with the scheme's investment objective, including investment in derivatives such as interest rate swaps. The Fund shall fully cover its position in the derivatives market by holding underlying securities / cash or cash equivalents / option and / or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market. The Fund shall maintain separate records for holding the cash and cash equivalents / securities for this purpose. The securities held shall be marked to market by the AMC to ensure full coverage of investments made in derivative products at all times.

SEBI has also vide circular DNP/Cir-29/2005 dated 14th September 2005 permitted Mutual Funds to participate in the derivatives market at par with Foreign Institutional Investors (FII).

Accordingly, Mutual Funds shall be treated at par with a registered FII in respect of position limits in index futures, index options, stock options and stock futures contracts.

### Interest Rate Swaps

Interest Rate Swaps is a strategy in which one party exchanges a stream of interest for another party's stream. Interest Rate Swaps are normally 'fixed against floating', but can also be 'fixed against fixed' or 'floating against floating' rate swaps. Interest Rate Swaps will be used to take advantage of interest-rate fluctuations, by swapping fixed-rate obligations for floating rate obligations, or swapping floating rate obligations to fixed-rate obligations. A floating-to-fixed swap increases the certainty of an issuer's future obligations. Swapping from fixed-to-floating rate may save the issuer money if interest rates decline. Swapping allows issuers to revise their debt profile to take advantage of current or expected future market conditions..

### Forward Rate Agreement (FRA)

A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

#### i) Advantages of Derivatives

The volatility in Indian debt markets has increased over last few months. Derivatives provide unique flexibility to the Scheme to hedge part of their portfolio. Some of the advantages of specific derivatives are as under:

#### ii) Interest Rate Swaps and Forward rate Agreements

Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rates by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

#### iii. Illustration: Interest Rate Swap (IRS)

Assume that a Mutual Fund has INR 10 crore, which is to be deployed in overnight products for 7 days. This money will be exposed to interest rate risk on daily basis. The fund can buy an Interest Rate Swap receiving fixed interest rate and paying NSE MIBOR.

(R. in Crore)	Principal (P)	NSE MIBOR	Interest	Amount (I)	(P) + (I)
Day 1	10		8.10%	0.0022192	10.00221918
Day 2		10.00222	8.20%	0.0022466	10.00446575
Day 3		10.00447	8.30%	0.002274	10.00673973
Day 4 (for 2 days)	Saturday	10.00674	8.15%	0.0044658	10.01120548
Day 5	Sunday		Holiday		
Day 6		10.01121	8.40%	0.0023014	10.01350685
Day 7		10.01351	8.50%	.0023288	10.01583562

Floating Interest Payable	.0158356164
Fixed Interest Receivable	.0167808219
Net Receivable for Mutual Fund receiving fixed	.0009452055

In this example Mutual Fund stands to gain by receiving fixed rates. As the NSE MIBOR floating rate is decided daily, in adverse scenario, the Mutual Fund may have to pay the difference.

The counter-party providing Swap, Options, Forward Rate Agreements (FRAs) will do the same at a cost.

Risk factors Interest Rate Swaps strategy:

Risk Factor: The risk arising out of uses of the above derivative strategy as under:

- Lack of opportunities available in the market.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Interest Rate Swaps require the maintenance of adequate controls to monitor the transactions entered into, the ability to forecast failure of another party (usually referred to as the 'counter party') to comply with the terms of the derivatives contract.

Further the exposure limits for trading in derivatives by Mutual Funds specified by SEBI vide its Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 are as follows:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
5. 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 3.
  - 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.



6. Mutual Funds may enter into plain vanilla Interest Rate Swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
7. 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 3 above.
8. Definition of Exposure in case of Derivative Positions
9. 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

**iv. The risks involved in derivatives are:**

1. The cost of hedge can be higher than adverse impact of market movements
2. The derivatives will entail a counter-party risk to the extent of amount that can become due from the party.
3. An exposure to derivatives in excess of the hedging requirements can lead to losses.
4. An exposure to derivatives can also limit the profits from a genuine investment transaction.
5. Efficiency of a derivatives market depends on the development of a liquid and efficient market for underlying securities and also on the suitable and acceptable benchmarks.
6. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

**v. Methods to tackle these risks:**

1. Hedging will not be done on a carpet basis but based on a view about interest rates, economy and expected adverse impact.
2. Limits of appropriate nature will be developed for counter parties

3. Such an exposure will be backed by assets in the form of cash or securities adequate to meet cost of derivative trading and loss, if any, due to unfavorable movements in the market.

**vi The losses that may be suffered by the investors as a consequence of such investments:**

1. As the use of derivatives is based on the judgment of the Fund Manager, the view on market taken may prove wrong resulting in losses.
2. The upside potential of investments may be limited on account of hedging which may cause opportunity losses.

**vii. The use of derivatives for hedging will give benefit of:**

1. Curtailing the losses due to adverse movement in interest rates
2. Securing upside gains at cost

**Viii. Valuation of Derivatives**

- i. The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the SEBI Regulations.
- ii. The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI Regulations.

**ix. Reporting of Derivatives**

The AMC shall cover the following aspects in their reports to trustees periodically, as provided for in the Regulations:

- i. Transactions in derivatives, both in volume and value terms.
- ii. Market value of cash or cash equivalents / securities held to cover the exposure.
- iii. Any breach of the exposure limit laid down in the scheme Information document.
- iv. Shortfall, if any, in the assets covering investment in derivative products and the manner of bridging it.

The Trustees shall offer their comments on the above aspects in the report filed with SEBI under sub regulation (23) (a) of regulation 18 of SEBI Regulations.

**E. Investment Strategy**

The scheme aims to dynamically manage the asset allocation between net long equity, Fixed Income and REITs/InvITs. Accordingly, the fund manager will decide asset allocation between equity, debt and REITs/InvITs depending on prevailing market and economic conditions. Among the metrics considered for deciding the debt-equity mix at any point of time will be the interest rate cycle, equity valuations (P/E, P/BV, Dividend Yield, Earnings yield, market cap to GDP ratio etc), medium to long term economic outlook etc.

The objective of the equity strategy will be to build a portfolio of companies diversified across major industries, economic sectors and market capitalization that offer an acceptable risk reward balance. Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook.

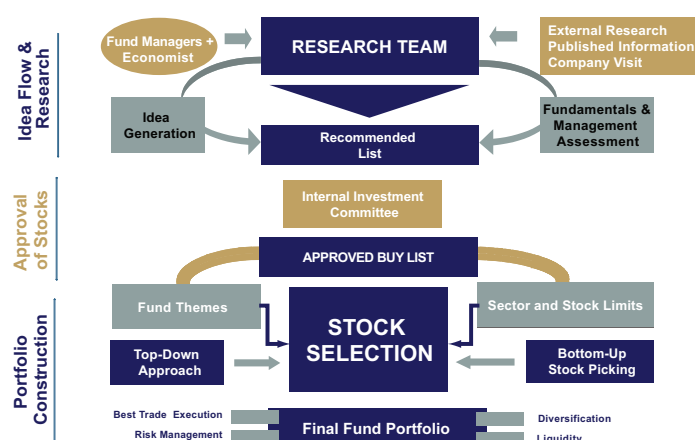
This proportion will depend on the fund manager's views.

The investment strategy on the derivative side includes identifying and investing into arbitrage opportunities between spot/cash and futures prices of individual stocks. The Scheme will use various arbitrage opportunities. For Example : "Cash and Carry Arbitrage" strategy wherein the Fund Manager will evaluate the difference between price of an individual stock in the futures market and in the spot/cash market. If the price of a stock in the futures market is higher than in the spot/ cash market, after considering the associated costs and taxes, the Scheme may buy the stock in the spot/cash market and sell the same in the futures market simultaneously. Similarly, the Scheme may at a later date, unwind the trade by selling cash position and buying in the futures markets. The Fund Manager after careful analysis may also decide to roll over his position, if the market conditions are favorable.

The investments in debt and money market instruments would be aimed at maintaining a balance between safety, liquidity and return on investments. The debt and money market portion of the portfolio shall be actively managed with an endeavor to generate superior risk adjusted returns. The Fund Manager shall formulate a view of the interest rate movement based on various parameters of the Indian economy, as well as developments in global markets. Investment views/decisions inter alia may be taken on the basis of the following parameters:

- i) Returns offered relative to alternative investment opportunities.
- ii) Liquidity of the security
- iii) Prevailing interest rate scenario
- iv) Quality of the security/instrument (including the financial health of the issuer)
- v) Maturity profile of the instrument
- vi) Credit Rating for the instrument
- vii) Any other factors considered relevant in the opinion of the Fund Management team.

#### Procedure for investment decisions



#### The Investment Process may be classified into:

**Research & Analysis:** The Investment Manager has a research set up that works to identify Investment opportunities through continuous research on sectors and companies that are relevant to the theme and investment objectives of the Scheme. The analysis focuses on the past performance and future prospects

of the company and the business, financial health, competitive edge, managerial quality and practices, minority shareholder fairness, transparency. Companies that adequately satisfy the prescribed criteria are included in the portfolio. The weight of individual companies will be based on their upside potential relative to downside risk.

**Approval of Securities:** After the identification of the stock and completion of necessary due diligence which includes financial and non financial analysis, a report is put up for approval of the Investment Committee. For identifying stocks, in-house research reports and inputs from published sources and reports of broking houses will be used. In order to mitigate risks and ensure higher reliability, at least one management contact either by way of visit, or any other form of communication is endeavoured to be made once a quarter.

**Portfolio Construction & Selection of Stock for Investment / Sale:** The Fund Manager will construct the portfolio with stocks/debt in the approved universe within the guidelines set in the Scheme Information Document for the Scheme. The Fund Manager will be the sole deciding authority in relation to stock selection, allocation of weight, sale & purchase of stocks and other issues that are related to portfolio construction.

**Monitoring:** The performance of the scheme and other parameters like Liquidity / Volatility / Credit Risk / Yields etc. are reviewed on a monthly basis at the Equity and Credit Review meeting. The meeting is headed by the MD and those present include the CIO (Equity / Debt), COO and Head of Products & Risk Management. Apart from this the Board of the Investment Manager and the Board of the Trustees also review the performance on a periodical basis.

#### Risk Control & Mitigation

As investing requires disciplined risk management, the Investment Manager would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification. With the aim of controlling risk, rigorous in depth evaluation of the securities proposed to be invested in will be carried out by the Investment Manager.

An independent risk management team is in place to oversee and monitor portfolio risk on a day-to-day basis. Internal risk control guidelines are in place and the portfolio is tracked on a live basis to ensure adherence to various regulatory and internal limits. Any deviation is brought to the notice of the Managing Director and the Fund Manager for corrective action. Follow up actions are made to ensure that the deviation is corrected within the time period prescribed. Adherence to limits from SEBI regulations as well as stipulations in the Scheme Information Document is monitored by the Risk team.

**Committee Monitoring Risk Management:** The Investment Committee of the Investment Manager reviews various risk parameters every month. Apart from the Investment Committee, there is also a Credit Committee which will specifically monitor Fixed Income Investments. The Committees will review the risk guidelines with respect to fixed income funds, check deviations from set limits of investments, set/modify the limits of counter party exposure, review exceptions and overrides and suggest improvements to the framework/formats.

The Internal Investment Committee and Credit Committee will also approve the following: • Guidelines in the universe of securities • Global Issuer limits (including limit per maturity) • Counterparty limits • Revised existing issuer and counterparty limits • Limits applicable to each fund etc.

Every endeavour will be made to achieve the objectives of the Scheme. The Investment Manager Sponsors/Trustee/Mutual Fund do not guarantee that the investment objectives of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

### Portfolio turnover

Portfolio turnover is defined as the lower of the aggregate value of purchases or sales, as a percentage of the average corpus of the Scheme during a specified period of time. This will exclude purchases and sales of money market securities.

It is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio(s). It will be the endeavour of the Fund Manager to optimise the portfolio turnover rate and keep it as low as possible. There may be trading opportunities that present themselves from time to time, where in the opinion of the fund manager, there is an opportunity to enhance the total returns of the portfolio. The fund manager will endeavour to balance the increased cost on account of higher portfolio turnover, if any, with benefits likely to be derived from such an approach.

### F. Fundamental Attributes

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI Regulation:

- (i) Type of a scheme: An open ended dynamic asset allocation fund.
- (ii) Investment Objective - The investment objective of the Scheme is to provide accrual income and capital appreciation by investing in a mix of equity, debt, REITs/InvITs and equity derivatives that are managed dynamically.
- (iii) Investment pattern - As indicated in this Scheme Information Document (Indicated in Highlights & Scheme Summary and Part II of this document).
- (iv) Terms of Issue-Provisions in respect redemption of units, fees and expenses: As indicated in this Scheme Information Document.
  - Liquidity provisions such as repurchase/redemption.: As indicated in this Scheme Information Document (Indicated in Highlights & Scheme Summary and Part III of this document).
  - Aggregate fees and expenses charged to the scheme. As indicated in this Scheme Information Document (Indicated in Highlights & Scheme Summary and Part IV of this document).
  - Any safety net or guarantee; There is no such safety net/Guarantee (The Schemes covered in this document does not offer safety net or guarantee).

In accordance with Regulation 18(15A) of the SEBI Regulation, the Trustee shall ensure that no change in the fundamental attributes of the Scheme the Trustee, fee & expenses and any

other change which would modify the Scheme and affect the interests of unit holders is carried out unless:

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

### G. Benchmark

#### CRISIL Hybrid 50%+50% Moderate Index

CRISIL Hybrid 50+50 - Moderate Index seeks to track the performance of a hybrid portfolio having a blend of S&P BSE 200 (50%) and CRISIL Composite Bond Fund Index (50%).

The Trustee reserves the right to change the benchmark if due to a change in market conditions, a different index appears to be providing a more appropriate basis for comparison of fund performance or if the indicated benchmark ceases to exist or undergoes a substantial change that renders it an ineffective base for performance comparison and analysis.

### H. Fund Managers

S Bharath & S Krishnakumar

Dwijendra Srivastava. (Fixed Income)

Please refer **Annexure B** for Fund Manager brief details

The Trustee reserves the right to change the fund manager(s).

### I. Investment Restrictions

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions, wherever applicable shall apply in respect of the Schemes at the time of making investments. However, all investments by the Schemes will be made in accordance with the investment objective, asset allocation and where will the schemes invest, described earlier, as well as the SEBI (MF) Regulations, including schedule VII thereof, as amended from time to time. SEBI vide notification No. SEBI/LADNRO/ GN/2015-16/034 dated February 12, 2016 pertaining to Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2016 and vide circular no SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 made amendment in Investment Restrictions. The modified Investment restrictions as follows:

- 1 The Scheme shall not invest more than 10% of its NAV in debt instruments (including accrued interest) issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Securities and exchange Board of India Act, 1992. Such investment limit may be extended to 12% of the Scheme with the prior approval of the Board of Trustee and the Board of the Investment Manager. The limit shall not be applicable for investments in Government securities, Treasury Bills and Collateralised Borrowing and Lending Obligation.

- 2 The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

However, the scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

For this, listed debt instruments shall include listed and to be listed debt instruments.

All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed with effect from one month from the date of operationalization of framework for listing of CPs or January 01, 2020, whichever is later.

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

- a. Investments will only be made in such instruments, including usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
  - b. Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.
  - c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.
- 3 The Schemes shall not invest more than 10% of their NAV in money market instruments of an issuer. Such limit shall not be applicable for investments in Government securities, Treasury Bills and Collateralised Borrowing and Lending Obligation.
- 4 The Fund under all its Schemes shall not own more than 10% of any company's paid up capital carrying voting rights.
- 5 Transfer of investments from one Scheme to another Scheme, including this Scheme shall be allowed only if such transfers are made at the prevailing market price for quoted securities on a spot basis and the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
- 6 The Scheme may invest in other Schemes under the same

AMC 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 management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund.

- 7 The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities. The mutual fund may enter into derivatives transactions in a recognized stock exchange in accordance with the guidelines/ framework specified by SEBI.
- 8 The scheme shall get the securities purchased/ transferred in the name of the Fund on account of the concerned Scheme, wherever investments are intended to be of a long-term nature.
- 9 No mutual fund scheme shall make any investments 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 its net assets.
- 10 The schemes shall not invest in Fund of funds scheme.
- 11 The Scheme shall not invest more than 10% of its NAV in equity shares of any one company.
- 12 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.
- 13 No loans for any purpose can be advanced by the Scheme.
- 14 The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/ redemption of units or payment of interest and dividend to the unit holders. Such borrowings shall not exceed 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.
- 15 The Scheme will comply with provisions specified in Circular dated August 18, 2010 related to overall exposure limits applicable for derivative transactions as stated below:
  - i. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
  - ii. The Scheme shall not write options or purchase instruments with embedded written options.
  - iii. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
  - iv. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
  - v. 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 purpose does not exceed the quantity of the existing position against which hedge has been taken.
- vi. The Scheme may enter into Interest Rate Swaps for hedging purposes. The counterparty in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
- vii. 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 i.
- 16 (i) The scheme shall not engage in short selling and credit default swaps
- (ii) The scheme shall engage in repo in corporate bond, securitized debt

#### 17 Investment Restrictions for Covered Call option strategy:

The scheme 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 paragraph 3 of SEBI Circular no. Cir/IMD/DF/11/2010, dated August 18, 2010.
- 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.

#### 18 SECTOR EXPOSURES

Total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T Bills, short term deposits of Scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) should not exceed 20% of the net assets of the scheme. Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs).

Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs should not exceed 20% of the net assets of the scheme.

#### 19 GROUP EXPOSURES

- a) Mutual Funds / AMCs shall ensure that total exposure of debt schemes of mutual funds in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.

- b) The investments by debt mutual fund schemes in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.
- c) For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

The Schemes will comply with any other Regulation applicable to the investments of mutual funds from time to time. Pursuant to SEBI Circular No: SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016.

## 20 RESTRICTIONS ON INVESTMENT IN DEBT INSTRUMENTS HAVING STRUCTURED OBLIGATIONS / CREDIT ENHANCEMENTS:

1. The investment of mutual fund schemes in the following instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:
  - a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
  - b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.
2. Investment limits as mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.
3. Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

AMCs may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMCs will initiate necessary steps to ensure protection of the interest of the investors.

4. Details of investments in debt instruments having structured obligations or credit enhancement features will be disclosed distinctively in the monthly portfolio statement of mutual fund schemes.

### SHORT TERM DEPOSITS:

Pending deployment of funds of the Schemes in terms of the

investment objective of the Schemes, the Mutual Fund may invest them in short term deposits (STD) of scheduled commercial banks in accordance with applicable SEBI guidelines as stated below:

- a) "Short Term" for parking of funds by Mutual Funds shall be treated as a period not exceeding 91 days.
- b) Such deposits, if made, shall be held in the name of the scheme.
- c) The scheme shall not park more than 15% of its net assets in short term deposits of all scheduled commercial banks put together. This limit however may be raised to 20% with prior approval of the Trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of the total deployment by the scheme in short term deposits.
- d) The scheme shall not park more than 10% of the net assets in short term deposits with any one scheduled commercial bank including its subsidiaries.
- e) Trustees/Asset Management Companies (AMCs) shall ensure that no funds of a scheme is parked in STD of a bank which has invested in that scheme. Trustees/AMCs shall also ensure that the bank in which a scheme has STD do not invest in the said scheme until the scheme has STD with such bank.
- f) The AMC(s) shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- g) Half Yearly portfolio statements shall disclose all funds parked in short term deposit(s) under a separate heading. Details shall also include name of the bank, amount of funds parked, percentage of NAV.
- h) Trustees shall, in the half Yearly Trustee Reports certify that provisions of the Mutual Funds Regulations pertaining to parking of funds in short term deposits pending deployment are complied with at all points of time. The AMC(s) shall also certify the same in its CTR(s).

The Trustee of the Mutual Fund may alter these limitations/objectives from time to time to the extent the SEBI Regulation change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for the mutual fund in order to achieve its investment objective. All investments of the Scheme will be made in accordance with the SEBI Regulation. All the Investment restrictions will be considered at the point of Investment.

## J. Scheme Performance

This scheme is a new scheme and does not have any performance track record.

## H. Fund Managers

## Annexure B

Name, Age & Tenure <sup>^</sup>	Educational Qualifications	Total Experience as Fund Manager 6 years	Name of the Scheme(s)
<b>S. Bharath</b> 39 Years	B.Com, MBA, FRM, ICWA	Sundaram Asset Management Co Ltd. <b>Apr 2018 to till date</b> Head Investment Research & Fund Manager <b>Jan 2016 to Apr 2018</b> SPM Fund Manager <b>Jul 2012 – Dec 2015</b> Fund Manager <b>Aug 2004 – Jul 2012</b> Research Analyst <b>May 2002 - Jul 2004</b> Navia Markets Ltd Research Analyst	<b>Fund Manager</b> Sundaram Smart Nifty 100 Equal Weight Fund Sundaram Value Fund Series II - X Sundaram Long Term Tax Advantage Fund Series I - II <b>Joint Fund Manager</b> Sundaram Infrastructure Advantage Fund Sundaram Equity Savings Fund (Equity Portion)
Name, Age & Tenure <sup>^</sup>	Educational Qualifications	Total Experience as Fund Manager 13 years	Name of the Scheme(s)
<b>Krishnakumar S</b> 53 Years	B.E. (Hons.), PGDBA	Sundaram Asset Management Co Ltd. <b>Apr 2015 – till date</b> CIO - Equity <b>Apr 2014 – Mar 2015</b> Head - Equity <b>Mar 2008 – Mar 2014</b> Fund Manager – Equity <b>May 2005 – Mar 2008</b> Head – Equity Research and Fund Manager <b>Mar 2004 – May 2005</b> Head – Equity Research <b>Dec 2003 – Mar 2004</b> Senior Research Analyst	<b>Fund Manager</b> Sundaram Small Cap Sundaram Select Small Cap Series Sundaram Large and Midcap <b>Joint Fund Manager</b> Sundaram Select Micro Cap Series VIII-XII and XIV-XVII Sundaram Infrastructure Advantage Fund Sundaram Global Advantage Sundaram Debt Oriented Hybrid Fund (Equity Portion) Sundaram World Brand Fund II-III Sundaram Rural and Consumption Fund Sundaram Diversified Equity Sundaram Financial Services Opportunities Fund Sundaram Emerging Small Cap Series – I-VII Sundaram Long Term Micro Cap Tax Advantage Fund Series III - VI Sundaram Equity Savings Fund (Equity Portion) Sundaram Services Fund Sundaram Long Term Tax Advantage Fund Series III-IV Sundaram Multi Cap Series I-II
Name, Age & Tenure <sup>^</sup>	Educational Qualifications	Total Experience as Fund Manager 12 years	Name of the Scheme(s)
<b>Dwijendra Srivastava</b> 44 Years	Bachelor of Technology (Textile Technology), CFA, PGDM (Finance)	<b>Sundaram Asset Management Co. Ltd</b> <b>Apr 2014 – till date</b> Chief Investment Officer - Debt <b>Jul 2010 – Apr 2014</b> Head – Fixed Income Deutsche Asset Management (India) Ltd <b>Jul 2007 – Jul 2010</b> Vice President and Fund Manager JM Financial Asset Management Ltd <b>May 2006 – Jul 2007</b> Fund Manager Tata Asset Management Co. Pvt Ltd <b>Jan 2003 – May 2006</b> Manager (Investments)	<b>Co-fund Manager</b> Sundaram Money Fund Sundaram Ultra Short-Term Fund Sundaram Flexible Fund Short-Term Plan Sundaram Flexible Fund Flexible Income Plan, Sundaram Gilt Fund Sundaram Bond Saver Sundaram Select Debt Short-Term Asset Plan Sundaram Monthly Income Plan Sundaram Capital Protection Oriented Funds Sundaram Fixed Term Plans Sundaram Hybrid Fund Series M & N

<sup>^</sup> Cut-off date considered for calculation of tenure is March 31, 2019.

The Trustee reserves the right to change the fund manager.

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

### A. New Fund Offer

#### New Fund Offer period

This is the period during which a new scheme sells its unit to the investor. On acceptance of a valid application for subscription, units will be allotted and a confirmation specifying the number of units allotted by way of email and/or SMS will be sent to the unit holder's registered e-mail address and/or mobile number within 5 Business Days from the date of closure of NFO. Physical Statement of Accounts will be sent to those unitholders whose registered email address / mobile number is not available with the Mutual Fund.

**The New Fund Offer for Sundaram Balanced Advantage Fund will commence on 14/02/2020 and closes on 28/02/2020.**

#### Extension or termination of NFO period

The Trustee reserves the right to extend the closing date of the New Fund Offer period subject to the condition that the subscription list shall not be kept open for more than 15 days. A notice will be issued for any such extension.

#### New Fund Offer price

(This is the price per unit that the investors have to pay to invest during the NFO)

During the New Fund Offer period, units are offered at Rs.10/- per unit and the entire amount is payable on application.

**Minimum amount for application in the NFO** For both Regular and Direct Plan Rs 100/- and in multiples of Re 1/- thereafter per application

#### Minimum Target amount

In accordance with SEBI circular No. Cir/ IMD/ DF/ 15 /2014 dated June 20, 2014, the minimum targeted amount under the scheme is Rs.10 crore.

In accordance with SEBI Regulation, if the Scheme fails to collect the minimum subscription as indicated above, the fund and the Investment Manager shall be liable to refund the subscription within a period of 5 business days from the closure of the NFO to the applicants of the Scheme without any returns. If the fund refunds after 5 business days, interest @ 15% per annum shall be paid by the Investment Manager.

#### Maximum amount to be raised (if any)

(This is the maximum amount which can be collected during the NFO Period)

There is no upper limit on the total amount to be collected under the Scheme during the NFO Period. Allotment is assured to eligible applicants as long as applications are valid and in order

#### Plans and Options

(applicable for "Ongoing offer" also)

**Plans:** Regular Plan and Direct Plan

**Options:** Growth, Dividend (Payout, Re-Investment & Sweep).

If investment option is not indicated the default option will be Growth.

If an investor chooses the Dividend Option but fails to indicate a sub-option, the default sub-option shall be Dividend Sweep, when the dividend payable is Rs. 500 or more and Dividend Reinvestment in other cases.

All plans and options available for offer under the scheme will have a common portfolio Direct Plan is only for investors who purchase /subscribe Units into the Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.

All categories of investors (whether existing or new Unitholders) as permitted to invest in this scheme are eligible to subscribe under Direct Plan. 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).

The expense ratio of Direct Plan shall be lower than that of the Regular Plan as it shall exclude distribution expenses, commission, etc. No commission for distribution of Units will be paid / charged under Direct Plan. The direct plan will also have a separate NAV.

Investors wishing to subscribe under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form.

The following matrix will be applied for processing the applications in the Regular or Direct Plan:

Broker Code mentioned by the investor	Plan mentioned by the investor	Plan under which units will be allotted
Not mentioned	Not mentioned	Direct Plan
Not mentioned	Direct	Direct Plan
Not mentioned	Regular	Direct Plan
Mentioned	Direct	Direct Plan



Direct	Not Mentioned	Direct Plan
Direct	Regular	Direct Plan
Mentioned	Regular	Regular Plan
Mentioned	Not Mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan.

The AMC shall endeavour to contact the investor/distributor and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

**Growth option:** Investors who prefer to accumulate the income and also do not have a need to receive the cash flow to meet specific financial goals can opt for the growth option. The income earned on the units will remain invested in the Scheme and will be reflected in the Net Asset Value. No dividend will be declared under this option. If units of this option are held as a capital asset for a period of more than 12 months from the date of allotment, income from such units will be treated as long-term capital gains for tax purposes.

**Dividend option:** Unit holders opting for the Dividend Option will receive dividend. All unit holders whose names appear in the Register of the Scheme in the Dividend Option category as on the Record Date will be entitled to the dividend. The details of the Record Date for any Dividend that may be declared will be notified through the Stock Exchange where the Units are listed/ designated investor service centers/ newspapers.

Investors may note that where the Units are held in Demat Form, details of any change in address / bank details are to be provided to the respective Depository Participant for the purpose of dividend payment. The dividend payment will be subject to the distribution tax, if any, payable by the Mutual Fund as per the Income Tax Act or other laws in force.

After the record date for distribution of dividend, the NAV per unit may decline to the extent of the payout and distribution tax, if any.

The Investment Manager shall dispatch the dividend cheque/warrant to unit holders within 30 days of declaration of dividend. In case of delay, the AMC shall be liable to pay interest @ 15 per cent per annum to the unit holders. The cheques/warrant will be drawn in the name of the sole/first holder and will be posted/mailed to the address indicated by the investor in the application form. Investors are required to provide bank account details - the name of the bank, branch and account number - in the application form. Dividend payment may also be done by Direct Credit subject to availability of necessary facility at each location. For further details please refer to the Application Form.

**Dividend Re-Investment:** Investors have the option to re-invest the dividend by way of buying additional units of the scheme. Additional units will be allotted based on the ex-dividend NAV of the Dividend Option after the Record date for the dividend. No entry load will be charged for such re-investment of dividend. The reinvestment of dividend shall automatically be deemed to be constructive payment of dividend to the unit holder and constructive receipt by the unit holder.

Any dividend value of Rs. 500 or less payable under daily / weekly frequency of dividend payout option shall be compulsorily reinvested under the same option instead of payout for both existing investors and new investors.

**Dividend Sweep:** This option will be available only when the dividend amount payable to the investor's account on the Record Date in a folio is equal to or more than Rs.500/-. The dividend so payable will be automatically swept into the Target Scheme (Open ended schemes) as opted by the unitholder, on the immediate Business Day (DSO form available in the website [www.sundarammutual.com](http://www.sundarammutual.com)) after the Record Date at the applicable NAV of the Target Scheme, subject to applicable load and accordingly equivalent units will be allotted in the Target Scheme (Open ended schemes), subject to the terms and conditions of the Target Scheme depending upon whether the investment was registered with or without broker code of the chosen scheme at the applicable NAV. The sweep out date shall be the next business day after the dividend record date.

If the target scheme is not mentioned for Dividend sweep by the investor, the default scheme is "Sundaram Money Fund"

#### Dividend Policy (applicable for "Ongoing offer" also)

Dividend may be declared by the Trustee at its discretion subject to the availability of distributable surplus as calculated in accordance with the Regulations. There is no assurance/guarantee with respect to the quantum or the frequency or the certainty of dividend

distribution. The decision on whether to declare a dividend or not will depend on the performance of the scheme and availability of distributable surplus. The rate of dividend may also vary from time to time. The decision of the Trustee will be final in this regard. Dividend will be declared on the face value of Rs 10 per unit.

**Effect of dividend:** In the Dividend option, after the record date for distribution of dividend, the NAV per unit may decline to the extent of the payout and distribution tax, if any. Dividend will be paid within 30 days from date of declaration. In case of delay, the AMC shall be liable to pay interest @ 15 per cent per annum to the unit holders. It may be noted that the Mutual Fund is not guaranteeing or assuring any dividend.

Post declaration of dividend the NAV of the Units under the in Dividend option will stand reduced by the amount of dividend declared and applicable dividend distribution tax/surcharge/cess/any other statutory levy.

#### Allotment

(applicable for “Ongoing offer” also)

On acceptance of a valid application for subscription, units will be allotted and a confirmation specifying the number of units allotted by way of email and/or SMS will be sent to the unit holder's registered e-mail address and/or mobile number within 5 Business Days from the date of closure of NFO. Subject to SEBI Regulations, Statement of Accounts will be sent to those unitholders whose registered email address / mobile number is not available with the Mutual Fund, unless otherwise required. Money would be refunded in respect of applications rejected, within five business days from the closure post NFO period.

If the Investor desires, a Unit certificate will be issued within 5 business days of the receipt of request. On the maturity date the Unit certificate must be duly discharged and surrendered for processing the redemption/Switch. Units held in dematerialized form/Unit Certificates are transferable.

While allotting units in case of subscription to the scheme through switches from other schemes,

- Additional units shall be allotted to the investors for the fractional value greater than 0.5 units so that the total units are rounded off to a full unit. The amount equivalent to conversion of fractional unit to full unit shall be debited to unit premium reserve account.
- For the fractional value upto 0.5 units, no additional units would be allotted. The value of those units shall be credited as unit premium reserve for the benefit of the investors.
- The overall cost, if any, arising out of the process shall be absorbed by Sundaram Asset Management Company Limited

#### (a) Allotment Advice (for demat holders)

An allotment advice will be sent upon allotment of Units stating the number of Units allotted to each of the unit holder(s) who have opted for allotment in dematerialized mode within 5 business days from the date of closure of the New Fund Offer Period. The Units allotted will be credited to the DP account of the unit holder as per the details provided in the application form.

#### (b) Dematerialisation

If any investor, who holds the units in physical form, wishes to convert the same to demat form, he shall do so in accordance with the provisions of SEBI (depositories and participants) Regulations, 1996 and procedure laid down by NSDL or CDSL, which may be amended time to time.

#### (c) Rematerialisation

If the applicant desires to hold the units in physical form, the Investment Manager shall issue Unit certificates to the applicant within 5 business days of the receipt of request for the certificate. Unit certificate if issued must be duly discharged by the Unit holder(s) and surrendered alongwith the request for Redemption / Switch or any other transaction of Units covered therein.

Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time to time. All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of dividend distributions, if any, as may be declared by the Trustee.

Applicants under the Scheme will have an option to hold the Units either in physical form (i.e. Account Statement) or in dematerialized form with reference to the details given by the investor. If no details of the Demat Account are given or if such details are incomplete or incorrect, Account Statement will be issued.

An Account Statement is non-transferable. It shall not be construed as proof of title. It is only a computer printed Statement indicating transactions under the Scheme during the relevant financial year and providing the closing balance of Units for the information of the Unit Holder.

**Refund**

Refund of subscription money to applicants whose applications are invalid for any reason whatsoever, will be made incurring any liability whatsoever for interest or other sum.

The entire amount shall be refunded within a period of 5 business days of the closure of the New Fund Offer Period. If, the Fund refunds the amount after 5 business days, interest @15% per annum for delayed period shall be paid by the Investment Manager. Refund orders will be marked "A/c. Payee Only" and drawn in the name of the first applicant or credited to the Bank Account of the first applicant.

**Who can invest  
(applicable for "Ongoing offer" also)**

(This is an indicative list and you are requested to consult your financial advisor to ascertain whether the Scheme is suitable to your risk profile.)

This is an indicative list and investors are requested to consult a financial/investment/tax/legal advisor to ascertain whether the Scheme is suitable to their risk profile.

The following persons, subject to subscription to units of mutual funds being permitted under respective constitution and relevant statutory regulation, are eligible and may apply for subscription to the units of the Scheme:

- 1 Resident adult individuals either singly or jointly (not exceeding three)
  - 2 Minors through parents/ lawful guardians
  - 3 Companies/Bodies Corporate/Public Sector Undertakings registered in India
  - 4 Religious and Charitable Trusts under the provisions of 11(5)(xii) of Income Tax Act 1961 read with Rule 17C of Income Tax Rules, 1962.
  - 5 Wakf Boards or endowments and Registered societies (including registered co operative societies) and private trusts, authorised to invest in units.
  - 6 Partnership firm/Limited Liability Partnership
  - 7 Trustee of private trusts authorised to invest in mutual fund Scheme under the Trust Deed
  - 8 Karta of Hindu Undivided Family (HUF)
  - 9 Banks, including Co-operative Banks and Regional Rural Banks, and Financial Institutions
  - 10 Non-Resident Indian (NRI) and Persons of India Origin on full repatriation basis subject to RBI approval, if any
  - 11 A mutual fund subject to SEBI regulation
  - 12 Foreign Institutional Investors (FIIs) registered with SEBI and sub-accounts of FIIs on full repatriation basis subject to RBI approval, if any
  - 13 An association of persons or a body of individuals and Societies registered under the Societies Registration Act, 1860
  - 14 Army/Air Force/Navy/Para-Military Funds and other eligible institutions
  - 15 Non-Government Provident/Pension/Gratuity and such other funds as and when permitted to invest
  - 16 Scientific and/or industrial research organisations authorised to invest in mutual fund units
  - 17 International Multilateral Agencies approved by the Government of India
  - 18 A Scheme of the Sundaram Mutual Fund, subject to the conditions and limits prescribed by SEBI, Trustee, the Investment Manager and the Sponsor. The Investment Manager shall not charge any fees on such investments.
  - 19 Other associations and institutions authorised to invest in mutual fund units.
  - 20 Any individual, being a foreign national who meets the residency tests as laid down in Foreign Exchange Management Act, 1999 or such other act / guidelines / regulations as issued by the RBI / SEBI from time to time.
  - 21 Qualified Foreign Investors (QFI) as may be permitted by SEBI from time to time
  - 22 Any other category of persons who are permitted to invest in the Schemes of Mutual Fund as per the guidelines and / or directions issued by the Government of India / SEBI / RBI from time to time.
  23. Foreign Portfolio Investors registered under Foreign (Portfolio Investors) Regulations, 2014
- As per Notification No. LAD-NRO/GN/2014-15/01 dated May 06, 2014 on SEBI (Mutual Funds) (Amendment) Regulations, 2014 the sponsor of Sundaram Mutual Fund or Sundaram Asset Management Company Limited shall invest not less than one percent of the amount collected during the NFO of the scheme or fifty lakh rupees, whichever is less, in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up.

Sundaram Asset Management may invest in the Scheme depending upon its cash flows and investment opportunities. In such an event, the Investment Manager will not charge any fees on its investment for the period it is retained in the Scheme. Such investment shall not exceed 25% of the net assets of the Scheme on the date of investment

The Trustee/Mutual Fund reserves the right to include/exclude a category of investors, subject to SEBI Regulation and other prevailing statutory regulation, if any.

- It is expressly understood that the investor has the necessary legal authority and has complied with applicable internal procedures for subscribing to the units. The Investment Manager/Trustee will not be responsible in case any transaction made by an investor is ultra vires the relevant constitution/internal procedures.
- Non-Resident Indians, Persons of Indian Origin residing abroad and Foreign Institutional Investors (FIIs) have been granted a general permission by the Reserve Bank of India [Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulation, 2000] for investing in/redeeming units of mutual funds subject to conditions set out in the aforesaid regulation.
- In the case of an application under a power of attorney or by a limited company, other corporate body, an eligible institution, a registered society, a trust fund, the original power of attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application, as the case may be, or a duly notarised copy 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 duly certified/attested specimen signatures of the authorised officials should also be attached to the application. In case of a trust/fund, it shall submit a resolution from trustee(s) authorising the purchase.
- The Investment Manager/Trustee/Registrar may need to obtain documents for verification of identity or such other details relating to a subscription for units as may be required under any applicable law, which may result in delay in processing the application. It is mandatory for every applicant to provide the name of the bank, branch, address, account type, number and also, KYC Norms related document references and Income Tax PA Number (For more details, please refer SAI) as per SEBI requirement. Any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar/Investment Manager may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.
- Small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders / businessmen / workers can invest in the scheme through the mode of cash payment for fresh purchases/additional purchases upto Rs.50,000/- per investor, per mutual fund, per financial year subject to:
  - (i) Compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under;
  - (ii) SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines; and
  - (iii) Sufficient systems and procedures put in place by the AMC / Mutual Fund. However, payment to such investors towards redemptions, dividend, etc. with respect to aforementioned investments shall be paid only through banking channel. Sundaram Mutual Fund / Investment Manager is yet to set up appropriate systems and procedures for the said purpose.

#### Who cannot invest

1. Persons residing in countries which require licensing or registration of Indian Mutual Fund products before selling the same in its jurisdiction.
2. Citizens of USA/Canada
3. Persons residing in any Financial Action Task Force (FATF) declared non-compliant country or territory.
4. Such other persons as may be specified by AMC from time to time.

#### Where can you submit the filled up applications.

Applications can be submitted at collecting branches of Sundaram Asset Management Company Ltd. The list of collecting branches will be provided at the time of launch and updated in the Application Form.

Investors can also avail services/facilities offered electronically and obtain portfolio



information/reports directly by using the Online Services as per the terms of the Personal Identification Number Agreement (PIN), details of which are available at [www.sundarammutual.com](http://www.sundarammutual.com).

**Terms and Conditions relating to Transaction Charges (applicable for both existing and new investors in the schemes of Sundaram Mutual)** pursuant to SEBI circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011:  
(applicable for “Ongoing offer” also)

- 1 The Distributor would be allowed to charge the Mutual Fund Investor a Transaction Charge where the amount of investment is Rs. 10,000/- and above on a per subscription basis
- 2 For an investor other than First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 100/- per subscription of Rs. 10,000/- and above  
For a First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 150/- per subscription of Rs. 10,000/- and above
- 3 The Transaction Charge, where applicable based on the above criteria, will be deducted by the Investment Manager from the subscription amount remitted by the Investor and paid to the distributor; and the balance (net) amount will be invested in the scheme. Thus units will be allotted against the net investment.
- 4 No Transaction charges shall be levied:
  - a) Where the distributor/agent of the investor has not opted to received any Transaction Charges;
  - b) Where the investor purchases the Units directly from the Mutual Fund;
  - c) Where total commitment in case of SIP / Purchases / Subscriptions is for an amount less than Rs. 10,000/-;
  - d) On transactions other than purchases / subscriptions relating to new inflows.  
Switches / Systematic Transfers / Allotment of Bonus Units / Dividend reinvestment Units / Transfer / Transmission of units, etc will not be considered as subscription for the purpose of levying the transaction charge.
  - e) Purchases / subscriptions carried out through stock exchange(s).

The distributors can opt-in / opt-out of levying transaction charges based on 'type of the Product/Scheme' instead of 'for all Schemes'. Accordingly, the transaction charges would be deducted from the subscription amounts, as applicable.

However, the distributor shall not be able to opt-in or opt-out at the investor-level i.e. a distributor shall not charge one investor and choose not to charge another investor.

The transaction charges are in addition to the existing system of commission permissible to the Distributors. On subscription through Distributors, the upfront commission if any will be paid directly by the Investors to the Distributor by a separate cheque based on their assessment of various factors including the service rendered by the Distributor.

Any circular/clarification issued by SEBI in this regard will automatically become applicable and will be incorporated in the SID/SAI/KIM wherever applicable.

<b>How to apply</b>	Please refer the Statement of Additional Information ( <a href="http://www.sundarammutual.com">www.sundarammutual.com</a> ) and Application form for instructions.
<b>Listing</b>	The Scheme is an open ended scheme under which sale and repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the Trustee reserves the right to list the units as and when considered necessary in the interest of Unit holders of the Fund

**Restrictions, if any, on the right to freely retain or dispose of units being offered.**  
(applicable for “Ongoing offer” also)

The units of the scheme are freely transferable by act of parties or by operation of law. For effecting a transfer the applicable transfer, form(s) shall be duly stamped and signed by all the unit holders and submitted along with the relevant unit certificate(s). The Asset Management Company shall on production of instrument of transfer together with the relevant unit certificates, register the transfer and return the unit certificates to the transferee within thirty days from the date of lodgement of transfer request at the office of the Registrar.

As the Units of the Scheme will also be issued in dematerialized form, the Units will be transferable through the Stock Exchange(s) on which the said Units are listed in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. The delivery instructions for transfer of Units will have to be lodged with the DP in the requisite form as may be required from time to time and transfer will be effected in

accordance with such rules/ regulations as may be in force governing transfer of securities in dematerialized form.

**Trading and settlement in the Units of the scheme through Stock Exchange(s) will be permitted only in Demat Form.**

Trading in the Stock Exchanges in which the Units of the Scheme are listed may be closed/ suspended by the Stock Exchange authorities under special circumstances (e.g., due to market volatility/Circuit filter Rules/breakdown of communication/network systems/SEBI Directives etc).

**Restriction on redemption in Mutual Funds**

- a. Restriction 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:
  - 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:
  - 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.

**Know Your Customer (KYC)/CKYC**

SEBI has issued detailed guidelines on 18/01/2006 and measures for prevention Money Laundering and had notified SEBI (KYC Registration Agency) Regulations, 2011 on December 02, 2011 with a view to bring uniformity in KYC Requirements for the securities market and to develop a mechanism for centralization of the KYC records. SEBI has also issued circulars from time to time on KYC compliance and maintenance of documentation pertaining to unit holders of mutual funds. Accordingly the following procedures shall apply:

- KYC is mandatory for all investors.
- New Investors are required to submit a copy of Income Tax PAN card, address proof and other requisite documents along with the KYC application form to any of the intermediaries registered with SEBI, including Mutual Funds to complete KYC. The KYC application form is available at [www.sundarammutual.com](http://www.sundarammutual.com)
- The Mutual Fund shall perform initial KYC of its new investors and send the application form along with the supporting documents to the KYC Registration Agency (KRA).
- During the KYC process, the Mutual Fund will also conduct In Person Verification (IPV) in respect of its new investors. Sundaram Asset Management Company Limited and the NISM / AMFI certified distributors who are KYD compliant are authorized to carry out the IPV for investors in mutual funds. In case of applications received directly from the investors (i.e. not through the distributors), mutual funds may rely upon the IPV performed by the scheduled commercial banks.
- The KRA shall send a letter to the investor on receipt of the KYC documents from Mutual Fund, confirming the details thereof.

- Investors who have obtained the acknowledgement after completing the KYC process can invest in Scheme of the Mutual funds by quoting the PAN in the application form.
- Investors are required to complete KYC process only once to enable them to invest in Scheme of all mutual funds.
- Existing Investors, who have already complied with the KYC requirements, can continue to invest as per the current practice.
- Investors are requested to contact any of the Investor Service Centres (ISCs) of Sundaram Mutual Fund for further details.

Pursuant to SEBI circular no. MIRSD/Cir-5/2012 dated April 13, 2012, mutual fund investors who were KYC compliant on or before December 31, 2011 are required to submit 'missing/not available' KYC information and complete the 'In Person Verification' (IPV) requirements if they wish to invest in a new mutual fund, where they have not invested / opened a folio earlier, effective from December 03, 2012: Individual investors have to complete the following missing/not available KYC information:

- Father's/Spouse Name,
- Marital Status,
- In-Person Verification (IPV).

To update the missing information, investors have to use the "KYC Details Change Form" for Individuals Only available at [www.sundarammutual.com](http://www.sundarammutual.com) or [www.amfiindia.com](http://www.amfiindia.com). Section B of the form highlights 'Mandatory fields for KYCs done before 1 January 2012' which has to be completed.

In case of Non Individuals, KYC needs to be done afresh due to significant and major changes in KYC requirements by using "KYC Application form" available for Non-Individuals only in the websites stated above.

Additional details like Nationality, Gross Annual Income or Net worth as on recent date, Politically Exposed Person, and Non Individuals providing specific services have to be provided in Additional KYC details form available in the website of the Investment Manager. Duly filled forms with IPV can be submitted along with a purchase application, to the new mutual fund where the investor is investing / opening a folio. Alternatively, investors may also approach their existing mutual funds at any investor service centre to update their 'missing/not available' KYC information.

#### Ultimate Beneficial Owner

Pursuant to Prevention of Money Laundering Act, 2002 (PMLA) and Rules framed thereunder and SEBI Master circular dated December 31, 2010 on Anti Money Laundering (AML), sufficient information to identify persons who beneficially own or control the securities account is required to be obtained. Also, SEBI had vide its circular no. CIR/MIRSD/2/2013 dated January 24, 2013 prescribed guidelines regarding identification of Ultimate Beneficial Owner(s) ('UBO'). As per these guidelines UBO means 'Natural Person', or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement. Investors are requested to refer to the 'Declaration for UBO' available in the website of the Investment Manager for detailed guidelines on identification of UBO. The provisions relating to UBO are not applicable where the investor or the owner of the controlling interest is a company listed on a stock exchange, or is a majority owned subsidiary of such a company.

#### Central KYC

Central KYC Registry is a centralized repository of KYC records of customers in the financial sector with uniform KYC norms and inter-usability of the KYC records across the sector with an objective to reduce the burden of producing KYC documents and getting those verified every time when the customer creates a new relationship with a financial entity. KYC means the due diligence procedure prescribed by the Regulator for identifying and verifying the proof of address, proof of identity and compliance with rules regulations, guidelines and circulars issued by the Regulators or Statutory Authorities under the Prevention of Money Laundering Act, 2002.

The Central Govt. vide notification dt. Nov, 26, 2015 has authorised Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to act as and to perform the functions of the CKYC Registry including receiving, storing, safeguarding and retrieving the KYC records in digital form of a Client. A 14 digit CKYC identification Number (KIN) would be issued as identifier of each client.

As per PMLA (Maintenance of Records) Amendment rules, 2015, Rule 9(IA), every reporting

entity shall within three days after the commencement of an account based relationship with an individual, file the electronic copy of the client's KYC records with the Central KYC Registry. Institutions need to upload the common KYC template along with the scanned copy of the certified supporting documents (Pol/PoA), cropped signature and photograph. SEBI vide its circular dated November 10, 2016 has advised all mutual funds to upload the KYC records of all existing customers into the CKYC database.

Since the records are stored digitally, it helps institutions de-duplicate data so that they don't need to do KYC of customers multiple times. It helps institutions find out if the client is KYC compliant based on Aadhaar, PAN and other identity proofs. If the KYC details are updated on this platform by one entity, all other institutions get a real time update. Thus, the platform helps firms cut down costs substantially by avoiding multiplicity of registration and data upkeep.

Please note that PAN is mandatory for investing in MF's (Except Micro KYC and other exempted scenarios). If CKYC is done without submission of PAN, then he/she will have to submit a duly self-certified copy of the PAN card alongwith KIN.

First time investing Financial Sector (New investor) New to KRA-KYC: while on boarding investors who are new to the MF & do not have KYC registered as per existing KRA norms, such investors should fill up CKYC form (attached). This new KYC form is in line with CKYC form guidelines and requirements and would help to capture all information needed for CKYC as well mandatory requirements for MF. Investors should submit the duly filled form along with supporting documents, particularly, self-certified copy of the PAN Card as a mandatory identity proof. If prospective investor submits old KRA KYC form, which does not have all information needed for registration with CKYC, such customer should either submit the information in the supplementary CKYC form or fill the CKYC form.

Investors who have obtained the KIN through any other financial intermediary, shall provide the 14 digit number for validation and updating the KYC record.

**IMPORTANT: AMFI has mandated within the Best Practices Circular that the new Process needs to be implemented by all Mutual Funds w.e.f 1st February 2017.**

**The policy regarding reissue of redeemed units, including the maximum extent, the manner of reissue, the entity (the Scheme or the Investment Manager) involved in the same.**

Not Applicable

#### Special facilities/products available

- DD charges shall be borne by Investment Manager as per prevailing SBI charges provided there is no office of the Investment Manager/ Collecting centers in that place
- Switch from any existing Schemes of Sundaram Mutual into the Units of this Scheme can be done during the NFO Period. For details the Investor Service Centres can be contacted.
- An investor may purchase the units in different options available for subscription under Regular Plan of the Scheme through NSE MFSS & BSE StAR Platform (Stock Exchange infrastructure) only during the NFO period. Switching of Units is not permitted under this facility. Investors may hold the Units in physical or dematerialized form. MFSS and StAR are electronic platforms introduced by NSE and BSE respectively for transacting in units of Mutual Funds. The electronic platforms will be available on all business days of the Capital Market segment. The platforms will be available for Participants between 9 a.m. until 3 p.m. The eligible AMFI certified stock exchange brokers will be considered as Official Points of Acceptance (OPA) of Sundaram Mutual Fund. Investors are requested to note that the facility for transacting in mutual fund schemes through stock exchange infrastructure is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the respective stock exchange(s) and guidelines issued by SEBI from time to time. The Trustees of Sundaram Mutual reserves the right to change/modify the features of this facility at a later date.
- Investor may also purchase the units through MF Utility.

#### B. Ongoing Offer Details

**Ongoing offer period** The Scheme is available for subscription and redemption on every business day.

**Ongoing price for subscription/ redemption** (This is the price you need to pay for purchase/switch-in/redemptions/switch outs)  
At applicable NAV

The Redemption Price of the Units will be computed as follows:

Redemption Price = Applicable NAV \* (1-Exit Load, if any).



Applicable exit load shall be subject to the tenure of investment of the investor in the scheme vis-à-vis the exit load structure applicable when investor had invested in the scheme

The Fund shall ensure that the Redemption Price is not lower than 93% of the NAV and the Purchase Price is not higher than 107% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Units shall not exceed the permissible limit of 7% of the Purchase Price, as provided for under the Regulations.

**Cut off timing for subscriptions/ redemptions/ switches** (This is the time before which your application (complete in all respects) should reach the official points of acceptance.)

Pursuant to SEBI Circulars SEBI/IMD/CIR No. 11/142521/08 dated October 24, 2008 and CIR/IMD/DF/19/2010 dated November 26, 2010 read along with the circular CIR/IMD/DF/21/2012 dated September 13, 2012, the applicable NAV shall be as follows:

- For subscription/redemption/switch request received before 3.00 pm on any business day, the closing NAV of the day of receipt of application.
- For subscription/redemption/switch request received after 3.00 pm on any business day, the closing NAV of next business day after the receipt of application.

For allotment of units in respect of purchase of units / switch from other schemes for an amount of Rs. 2 lakhs and above:

In respect of applications for purchase of units / switch from other schemes of an amount equal to or more than Rs. 2 lakhs, the closing Net Asset Value (NAV) of the Business Day on which the funds are available for utilization shall be applicable provided that:

- (i) Application for purchase / switch-in is received before the applicable cut-off time.
- (ii) Funds for the entire amount of subscription / purchase / switch-in as per the application are credited to the bank account of the scheme before the cut-off time.
- (iii) The funds are available for utilization before the cut-off time without availing any credit facility, whether intra-day or otherwise.

Where application is received after the cut-off time on a day and the funds are available for utilization without availing any credit facility, whether intra-day or otherwise, on the same day, the closing NAV of the next Business Day shall be applicable.

Multiple applications / transactions by an investor shall be aggregated as per conditions mentioned below and closing NAV of the day on which funds for respective application / transaction are available for utilization will be applied where the aggregated amount of investment is for Rs.2.00 lakhs and above:

1. All transactions received on the same business day (as per Time stamp rule).
2. Transactions shall include purchases, additional purchases and excludes Switches.
3. Aggregation shall be done on the basis of Investor/s/Unit Holder/s PAN. In case of joint holding, transactions with similar holding structures shall be aggregated.
4. All transactions will be aggregated where investor holding pattern is same as stated in point no.(3) above, irrespective of whether the amount of the individual transaction is above or below Rs. 2 lakhs.
5. Only transactions in the same scheme shall be aggregated. This will also include transactions at Plan / option level (Regular Plan, Direct Plan, Dividend option, Growth option, etc.).
6. Transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian.

The Investment Manager reserves the right to change or modify any of the conditions related to aggregation of transactions in line with directives issued by Securities and Exchange Board of India or AMFI from time to time.

For subscription, the applicable NAV will be as indicated only for local cheque or demand draft payable at par in the place of receipt. If the application for subscription is accompanied by an outstation cheque or demand draft not payable at par in the place of receipt, closing NAV of the day on which the cheque or DD is credited will be the applicable NAV.

Switch-in shall be treated as subscription request. Switch-out shall be treated as redemption request.

While subscribing to an option under Direct Plan which does not have a NAV, units shall be

allotted based on the NAV of corresponding option/ sub-option under the Regular Plan. In case of non-availability of NAV in the corresponding option / sub-option (due to NIL investors under the option/sub-option) in the Regular plan, the applicable NAV shall be that of the corresponding Growth Option under the Regular Plan.

#### Where can the applications for purchase / redemption switches be submitted?

Subscription/redemption request can be submitted on any business day at branches of Sundaram Asset Management, the Registrar and at Investor Service Centres of the registrar.

#### Registrar & Transfer Agent

##### KFin Technologies Private Limited

CIN: U72400TG2017PTC117649

Unit: Sundaram Mutual Fund,

Tower- B, Plot No. 31 & 32, Selenium building Gachibowli Road Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032.

Contact No. 1800 425 7237 (India) +91 40 2345 2215 (NRI)

Email us at: customerservices@sundarammutual.com

Applications can be submitted at branches of Sundaram Asset Management Company Ltd, details of which are furnished on back cover page of this document.

Applications can also be submitted at the authorised POS of MF Utility India. Please refer section on MF Utility Platform under Highlights & Scheme Summary Section for further information in this regard.

The Investment Manager may modify, from time to time, the places for acceptance of applications in the interest of investors. For details investors may also refer to the website of the Asset Management Company / use the Contact Number provided in this document..

<b>Minimum amount for redemption/switches</b>	Regular & Direct Plan: Rs.100 or 1 units or account balance, whichever is lower. • STP (Weekly-processed on Wednesday's/next Business Day if Wednesday is not a Business Day): Rs 1000 • STP (Monthly): Rs 100 • STP (Quarterly): Rs 750 and any amount thereafter.
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<b>Minimum balance to be maintained</b>	Not Applicable
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#### Special facilities/products available

#### (1) Systematic Investment Plan (SIP)

Investors can also benefit by investing specified amounts periodically. Weekly, monthly and quarterly frequencies are available for choice. For the weekly SIP, the minimum amount is Rs 1000 per week. For the monthly SIP, the minimum amount is Rs 100 per month and for the quarterly SIP, the minimum amount is Rs 750 per quarter. The SIP can be availed by the investors on: 1st, 7th, 14th, 20th and 25th of every month/quarter. The weekly SIP requests shall be processed on Wednesday of every week. If Wednesday is not a business day, the SIP installment will be processed on the next business day. Perpetual SIP: Perpetual SIP means an SIP wherein the maximum period/installment of investment under SIP is not mentioned by the investor and therefore, the installments will be recurring until the investor communicates his intention to close/stop the SIP investment. The minimum amount of SIP and the load structure will all remain the same. If the investor does not mention the period/installments of SIP in the application form, the SIP will be deemed to be for perpetuity unless and until the investor communicates his intention otherwise.

SIP will be terminated automatically if there are three consecutive failures to honour the Cheque. This will apply for SIP through Auto Debit and NACH/OTM. The Fund reserves the right to recover the related bank charges incurred.

#### SIP Top-up feature

The top-up feature under the Systematic Investment Plan is to enable the investors increase their contribution in an SIP at pre-determined intervals by a fixed amount during the tenure of SIP. This feature is optional and is available to investors under all Schemes offering SIP facility w.e.f. April 21, 2014. The terms & conditions of the Top-Up feature are stated below:

#### 1. Frequency for Top-up: Monthly & Quarterly

##### a. For monthly SIP, the top-up options are:

- **Half Yearly Top-up:** Under this option, the amount of investment through SIP installment shall be increased by an amount chosen by the Investor post every 6th (sixth) SIP installment.
- **Yearly Top-up:** Under this option, the amount of investment through SIP installment shall be increased by an amount chosen by the Investor post every 12th (twelfth) SIP installment.

**b. For Quarterly SIP, the top option is**

- Yearly Top-up: Under this option, the amount of investment through SIP installment shall be increased by an amount chosen by the Investor post every 4th (fourth) SIP installment.

In case the investor who has registered under quarterly SIP has opted for half yearly Top-up, the SIP will be registered and processed as Yearly Top-up.

The Top-up feature shall not be available for weekly SIPs.

2. Minimum Top-up Amount: Rs. 500 and in multiples of Rs. 500 thereafter.

3. Default Top-up Frequency and amount:

- In case the investor does not specify either the frequency or the amount for Top-up, the applications shall be processed with following default options: Default frequency - Yearly Default Amount – Rs. 500
  - In case the investor does not specify the frequency for Top-up and amount for Top-up, the application form may be processed as SIP without Top-up feature, subject to it being valid and complete in all other aspects.
- The SIP period has to be for a minimum of seven complete months in case of half-yearly top up and thirteen complete months for yearly top up.
  - SIP instalment amount has to be a minimum of Rs. 500/- in order to avail the top-up feature under monthly SIP. Otherwise, the transaction would be processed as a SIP without Top-up feature subject to it being valid and complete in all other aspects.
  - The Top-up option must be specified by the investors while enrolling for the SIP facility. The top-up feature can be availed only at the time of registration or renewal of SIP.
  - The Top-up feature shall be available for SIP Investments only through ECS (Debit Clearing) / Direct Debit Facility/Standing Instruction.
  - The top-up feature shall not be available in the following cases: (i) SIP registration under perpetual mode. (ii) SIP registrations which are received through Channel Partners, Exchanges and ISIPs. (iii) Registrations under COMBO SIP facility.
  - The Top-up details cannot be modified once enrolled. In order to make any changes, the investor must cancel the existing SIP and enroll for a fresh SIP with the revision in Top-up details.

For further details please refer the Key Information Memorandum cum Application Form.

**(2) Systematic Withdrawal Plan (SWP)**

SWP may be appropriate for those seeking regular inflow of funds for their needs. The minimum amount, which the unit holder can withdraw, is Rs.1000/-. The unit holder may avail himself of this plan by sending a written request to the Investment Manager or the Registrar. Withdrawals through SWP are effected on the specified redemption dates, at an interval of the investor's choice (weekly, monthly or quarterly). The amount thus withdrawn by this option will be converted into units at the applicable redemption price on that date and will be subtracted from the units balance to the credit of the unit holder. Unit holders may change the amount indicated in the SWP, subject to the minimum amount specified above. The SWP may be terminated on written notice from the unit holder and it will terminate automatically when all the units of the unit holder are liquidated or withdrawn from the account. The unit holders can opt for either fixed or variable amount withdrawal under this facility.

**a Fixed amount withdrawal**

The unit holder can withdraw a fixed amount (subject to a minimum amount of Rs.100/- on the Specified Redemption Dates. In this case, the withdrawal could affect the capital, reducing it or enhancing it based on the amount withdrawn and returns generated by the fund.

**Example**

Amount Invested: Rs.50,000/- in a Scheme of Sundaram Mutual Fund – Growth Option.

If the unit holder decides to withdraw Rs. 5,000/- every month, and the appreciation in a month is Rs. 1,750/-, then such redemption proceeds will comprise of Rs. 1,750/- from the capital appreciation and Rs.3,250/- from the unit holder's capital account.

**b Capital Appreciation (Variable) Withdrawal Plan**

The unit holder withdraws the amount by which his/her capital appreciates on the specified redemption dates. Here the capital invested remains constant. In the event of there being no capital appreciation, no withdrawal/payment will be effected.

**Example**

If the appreciation on the investment of the Unit holder for the quarter is Rs.1,750/- in the first quarter and Rs.1,250/- for the second quarter the investor will receive only the appreciation i.e. Rs.1,750/- and Rs.1,250/- for the I & II quarters respectively.

The Investment Manager reserves the right to prospectively amend the operational details of SIP/SWP options as may be deemed fit.

The above figures are given by way of examples only. The actual amount will depend on the actual performances of the scheme.

The Systematic Withdrawal Plan will be offered on the following terms and conditions

- The withdrawal will be made subject to minimum amount of Rs. 1000/- under the fixed amount withdrawal option and subject to Rs. 1000/- capital appreciation available under variable withdrawal option.
- Unit holders may change the amount of withdrawal, at any time by giving the Registrar of the Mutual Fund, a written notice at least 14 days prior to the next withdrawal date.

However, the Investment Manager at its sole discretion retains the right to close an account if the outstanding balance, based on the Net Assets value, falls below Rs. 1000/- due to redemption or use of SWP facility or otherwise and the investor fails to invest sufficient funds to bring the value of the amount up to Rs.1000/- within 30 days after a written intimation is sent to the Unit holder.

- Withdrawals are processed on the first business day of every month/quarter as the case maybe.
- In the case of SWP Capital Appreciation (Variable) withdrawal option, appreciation, if any, will be calculated from the commencement date of SWP under the folio, till the first withdrawal date. Subsequently, capital appreciation, if any, will be the capital appreciation between the date immediately succeeding the last withdrawal date and the next withdrawal date. Provided that the NAV per Unit on the subsequent withdrawal date is greater than the NAV per Unit on the date of purchase. Provided further the capital appreciation is greater than Rs.1000/-.
- The capital appreciation portion will be subject to capital gains tax at applicable rates.
- In the event of there being no capital appreciation, no withdrawal/payment will be effected under the variable Plan.

**(3) Systematic Transfer Plan (STP)**

STP is a facility wherein a unit holder of a Sundaram Mutual Fund scheme can opt to transfer a fixed amount or capital appreciation amount at regular intervals to another scheme of Sundaram Mutual Fund. The amount transferred under the STP from the Transferor scheme to the Transferee scheme, shall be effected by redeeming units of Transferor scheme and subscribing to the units of the Transferee scheme.

The STP can be availed by the investors on: 1st, 7th, 14th, 20th and 25th of every month/quarter. The weekly STP requests shall be processed on Wednesday of every week. If Wednesday is not a business day, the STP installment will be processed on the next business day. Also, the amount for each STP shall be a minimum of Rs 1000, Rs 100 and Rs 750 for weekly, monthly and quarterly respectively.

STP may be terminated automatically if the balance falls below the minimum account balance. The capital appreciation portion will be subject to capital gains tax at applicable rates.

Investors may opt to exit from the facility by giving a written notice to the Registrar at least 14 days prior to the next transfer date. STP may be terminated automatically if the balance falls below the minimum account balance or upon the receipt of notification of death/incapacity of the unit holders by the Fund. The Investment Manager reserves the right to have differential load structures for investors who opt for the STP. Rules relating to the STP may be changed from time to time by the Investment Manager.

Note: Where the specified dates are not business days, the next business day will be relevant. The Trustee can change the prescribed dates/installment amounts or any other feature at their discretion.

**(3A) Daily Systematic Transfer Plan (Daily STP) facility**

Daily STP is a facility provided wherein the unit holder(s) of "Transferor Scheme(s)" can opt to transfer a fixed amount at daily intervals (Business days) from their existing investments under "Transferor Scheme(s)" to eligible "Transferee Scheme(s)" which is available for investment at that time.



Investors are requested to note the following terms and conditions with respect to availing Daily STP facility:

**i. Date of transfer**

Daily Interval (on all business days). Investors should note that in case of Daily STP, the commencement date for transfers shall be the 15th working day from the date of receipt of a valid request and thereafter, transfers shall be effected on all business days at NAV based prices, subject to applicable load. Thus, in the event of an intervening non-business day (e.g. Saturday and Sunday), STP triggers will not take place and consequently the total number of Daily STP instalments opted by the investor will be adjusted to that extent i.e., For e.g. if the investor has opted for 20 instalments and if 5 non business days happen to occur in the intervening period, then only 15 Daily STP instalments shall be triggered. In view of the intervening non business days, investors are advised to extend the period by including possible non business days during the transfer period for covering the intended instalments.

**ii. Minimum amount of transfer**

Investors are required to instruct for a minimum of 20 transfers of Rs.1000/- and in multiples of Rs.100/- thereafter.

**iii. Load Structure** of the Transferor Scheme & Transferee Schemes as on the date of enrolment of STP shall be applicable.

**iv. Discontinuation of Daily STP**

- a) Daily STP will be automatically terminated if all units are liquidated or withdrawn from the Transferor Scheme or pledged or upon receipt of intimation of death of unit holder. Further, if the outstanding balance in "Transferor Scheme" does not cover any of the Daily STP instalment amount, all outstanding units will be liquidated and Daily STP will be effected for such outstanding balance and Daily STP will be terminated for subsequent instalments.
- b) Investors can also choose to terminate the Daily STP by giving a written notice of at least 7 Business Days in advance to the Official Points of Transactions and accordingly, termination of Daily STP shall be effected from 8th Business Day of receipt of valid request.
- v. The provision of 'Minimum redemption amount' specified in the SID of Transferor Scheme and 'Minimum application amount' specified in the SID of the Transferee Schemes will not be applicable for Daily STP.
- vi. The Trustee / AMC reserve the right to change / modify the terms of the Daily STP or withdraw this facility from time to time.

**(4) Dividend Sweep facility**

It has been by Sundaram Trustee Company Limited the Trustee to Sundaram Mutual Fund to introduce Dividend Sweep Option (DSO) into all open ended schemes from any schemes (open ended and close ended) of Sundaram Mutual Fund.

The terms and conditions of the Dividend Sweep Option (DSO) are as follows:

- 1) Dividend Sweep Option (DSO) is a facility wherein unit holder(s) of eligible scheme(s) [hereinafter referred to as "Source Scheme(s)"] of Sundaram Mutual Fund can opt to automatically invest the dividend (as reduced by the amount of applicable statutory levy, if any) declared by the eligible Source Scheme(s) into other eligible Scheme(s) [hereinafter referred to as "**Target Scheme(s)**"] of Sundaram Mutual Fund.
- 2) DSO facility is available to unit holder(s) only under the Dividend Plan / Option of the Source Scheme(s). However, the DSO facility will not be available to unit holder(s) under the Daily Dividend Option in the Source Scheme(s). Unit holder's enrolment under the DSO facility will automatically override any previous instructions for 'Dividend Payout' or 'Dividend Reinvestment' facility in the Source Scheme.
- 3) The enrolment for DSO facility should be for all units under the respective Dividend Plan / Option of the Source Scheme. Instructions for part Dividend Transfer and part Dividend Payout / Reinvestment will not be accepted. The dividend amount will be invested in the Target Scheme under the same folio. Accordingly, the unit holder(s) details and mode of holding in the Target Scheme will be same as in the Source Scheme.

- 4) The enrolment to avail of DSO facility has to be specified for each Scheme/Plan/Option separately and not at the folio level.
- 5) Under DSO, dividend declared (as reduced by the amount of applicable statutory levy and deductions, if any) in the Source scheme (subject to minimum of Rs.500/-) will be automatically invested into the Target Scheme, as opted by the unit holder, on the immediate next Business Day after the Record Date at the applicable NAV of the Target Scheme, subject to applicable load as specified under paragraph 7 below and accordingly equivalent units will be allotted in the Target Scheme, subject to the terms and conditions of the Target Scheme.
- 6) The provision for '**Minimum Application Amount**' specified in the respective Target Scheme's Scheme Information Document (SID) will not be applicable under DSO.
- 7) **Load Structure:** The dividend amount to be invested under the DSO from the Source Scheme to the Target Scheme shall be invested by subscribing to the units of the Target Scheme at applicable NAV, subject to payment of Entry/Exit Load as under:
 

**Entry Load (Target Scheme):** Direct Applications & Applications routed through any distributor/agent/broker: Nil

**Exit Load (Target Scheme):** As per the relevant SID(s) The Trustee/AMC reserves the right to change the load structure under the DSO Facility at any time in future on a prospective basis.
- 8) The Account Statement will be issued by mail or by email (if opted by the unit holder) to the unit holder once in every month giving details of all the transactions during that period. In case of specific request received from unitholders, the Mutual Fund shall endeavour to provide the account statement to the unitholders after every transaction of Dividend sweep.
- 9) Unitholders who wish to enroll for DSO facility are required to fill DSO Enrolment Form available with the ISCs, distributors/agents and also displayed on the website [www.sundarammutual.com](http://www.sundarammutual.com). The DSO Enrolment Form should be completed in English in Block Letters only. Please tick ( ) in the appropriate box, where boxes have been provided.
 

The DSO Enrolment Form complete in all aspects should be submitted at any of the Investor Services centre (ISCs) of Sundaram Mutual Fund.
- 10) The request for enrolment for DSO must be submitted at least 10 days prior to the Record Date for the dividend. In case of this condition not being met, the enrolment would be considered valid from the immediately succeeding Record Date of the dividend.
- 11) Unitholder(s) are advised to read the SID(s) of Target Scheme(s) carefully before investing. The SID(s) / Key Information Memorandum(s) of the respective Scheme(s) are available with the ISCs of Sundaram Mutual Fund, brokers / distributors and also displayed on the Sundaram Mutual Fund website i.e. – [www.sundarammutual.com](http://www.sundarammutual.com).
- 12) Unit holders will have the right to discontinue the DSO facility at any time by sending a written request to the ISC. Notice of such discontinuance should be received at least 10 days prior to the Dividend Record Date. On receipt of such request, the DSO facility will be terminated. At the time of discontinuation of DSO facility, the Unit holders should indicate their choice of option i.e. dividend reinvestment or dividend payout. In the event the Unitholder does not indicate his choice of dividend option, the dividend, if any, will be reinvested (compulsory payout if dividend reinvestment option is not available) in the Source Scheme. Once the request for DSO is registered, then it shall remain in force unless it is terminated as aforesaid.
- 13) The Trustee reserves the right to change/ modify the terms and conditions of the DSO at a later date on a prospective basis.

#### (5) Pledge

Pledge of units will be recognised. For details please contact our Investor Service Centres. In case of Pledge of Units held in Demat Form, the prescribed procedures of DP will have to be followed. Transfer/Withdrawal facility will not be available in respect of Units which are subject to Lock-in or pledge

#### (6) Online Transaction

Investors desirous of using online services can do so after obtaining a login password by executing an IPIN agreement. For more details please refer to Statement of Additional Information and website [www.sundarammutual.com](http://www.sundarammutual.com).

**(7) Purchase/Redemption through NSE and BSE Exchange Platform**

MFSS of NSE / BSE StAR MF Platform The Trustee may, at its sole discretion, at a later date offer a facility to subscribe and redeem the units of schemes through the infrastructure of the MFSS of NSE / BSE StAR MF Platform introduced by NSE & BSE for transacting in units of the scheme. A suitable public announcement will be made if any such move is initiated.

Investor may also purchase the units through MF Utility

The Trustee reserves the right to amend, add or withdraw any special features/conditions in the interest of investors.

**Account statement****Consolidated Account Statement:**

- (1) A consolidated account statement (CAS)^ for each calendar month to the Unit holder(s) in whose folio(s) transaction\*\*(s) has/have taken place during the month shall be sent on or before 10th of the succeeding month by mail/e-mail.

**^Consolidated Account Statement (CAS)** shall contain details relating to all the transactions\*\* carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor, if any.

**\*\* The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.**

- (2) In case of a specific request received from the Unit holders, the AMC/Mutual Fund will provide the account statement to the investors within 5 Business Days from the receipt of such request.
- (3) In case the mutual fund folio has more than one registered holder, the first named Unit holder shall receive the CAS/account statement.
- (4) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).
- (5) The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.
- (6) Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly CAS will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical. Such Consolidated Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement.
- (7) The statement of holding of the beneficiary account holder for units held in DEMAT will be sent by the respective DPs periodically.
- 8) Pursuant to SEBI circular CIR/MRD/DP/31/2014 dated November 12, 2014, investors having Mutual Fund investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository. Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis. If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within ten days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.
- 9) Pursuant to SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, the following points have been incorporated to increase the transparency of information to the investors.
- A. Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme.
- B. Further, CAS issued for the half-year (ended September/ March) shall also provide:
- (i) The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships

etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as GST (wherever applicable, as per existing rates), operating expenses, etc.

- (ii) The scheme's average Total Expense Ratio (in percentage terms) along with the break up between investment and advisory fees, commission paid to the distributor and other expenses for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

C. Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

Any circular/clarification issued by SEBI in this regard will automatically become applicable and shall be incorporated in the SID/SAI/KIM wherever applicable.

<b>Dividend</b>	The dividend warrant/cheque shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend. In case of delay, the AMC shall be liable to pay interest @ 15 per cent per annum to the unit holders. It may be noted that the Mutual Fund is not guaranteeing or assuring any dividend.
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<b>Redemption</b>	The redemption or redemption proceeds shall be dispatched to the unit holders within 10 business days from the date of redemption. During circumstances such as market closure / breakdown / calamity / strike / violence / bandh, extreme price volatility/SEBI Directives etc, the Trustee can stop/suspend sale/redemption of Units..
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<b>Delay in payment of redemption proceeds</b>	<p>The redemption proceeds will be dispatched to the Unitholders within 10 Business days from the date of maturity. For any delay in this regard the Investment Manager will be liable to pay interest @ 15% p.a. (or such other rate as may be prescribed by SEBI). However the Investment Manager will not be liable to pay any interest or other compensation if the delay in processing the Redemption/Dividend Payment/Refund is attributable to the Unit holder (e.g. any incorrect /incomplete information or non-furnishing of details required under applicable laws etc). The Investment Manager will not be responsible for any loss arising out of fraudulent encashment of cheques and/or any delay/ loss in transit. Further, the dispatch through the courier / Post office (who will be treated as the Investor's agent) to the Registered address (as given by the Investor) shall be treated as delivery to the investor. The Investment Manager / Registrar will not be responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated above.</p>
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Pursuant to the provisions of SEBI Circular Reference no. SEBI/HO/MD/DF2/CIR/P/2316/37 dated February 25, 2016, the Boards of the AMC and the Trustee Company of Sundaram Mutual Fund have approved introduction of four Options under a new Plan viz., Unclaimed Amount in Sundaram Money Fund (The Scheme), an open-ended liquid scheme of Sundaram Mutual Fund for the limited purpose of deployment of unclaimed redemption and dividend amounts with effect from 1st October 2016.

<b>Unclaimed redemption / dividend</b>	<p><b>Process for claiming the unclaimed redemption / dividend amounts by investors</b></p> <p>"The treatment of unclaimed redemption &amp; dividend amount will be as per SEBI circular dated Feb 25, 2016. The unclaimed redemption and dividend amounts, that were earlier allowed to be deployed only in call money market or money market instruments, is also be allowed to be invested in a separate plan of Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. In this regard Board of AMC and Trustee of Sundaram Mutual Fund have approved the introduction of unclaimed Amount Plan provided under following link <a href="https://www.sundarammutual.com/pdf2/2016/Addenda/Unclaimed_Redemption_Dividend.pdf">https://www.sundarammutual.com/pdf2/2016/Addenda/Unclaimed_Redemption_Dividend.pdf</a>. The Investment Manager shall make a continuous effort to remind the investors through letters to take their unclaimed amounts. The investment management and advisory fee charged by the Investment Manager for managing unclaimed amounts shall not exceed 50 basis points.</p>
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<b>Bank account details</b>	As per the directives issued by SEBI, it shall be mandatory for the Unitholders to mention their bank account numbers in their applications. Unitholders are requested to give the full particulars of their Bank Account i.e. nature and number of the account, name, nine digit MICR code No. (For Electronic Credit Facility), IFSC code for NEFT a 11 digit number, branch address of the bank at the appropriate space in the application form. Proceeds of any redemption will be sent only to a bank account that is registered and validated in the Investor's folio at the time of redemption transaction processing. For further details please refer to the instructions in the Application Forms/SAI and the Website of the Mutual Fund.
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<b>Registration of Bank Account</b>	The Unitholders may choose to receive the redemption/dividend proceeds in any of the bank accounts, the details of which are registered with the Investment Manager by specifying the
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necessary details in the "Bank Accounts Registration form" which will be available at our office/KFin Technologies Private Limited and on the website of [www.sundarammutual.com](http://www.sundarammutual.com). Individuals, HUFs, Sole proprietor firms can register up to five bank accounts and other investors can register up to ten bank accounts in a folio. The unitholder can choose anyone of the registered bank accounts as default bank account. In case the investor fails to mention any preference, then by default the first number indicated in the list shall be the preferred account number.

If unit holder(s) provide a new and unregistered bank mandate or a change of bank mandate request with a specific redemption proceeds (with or without necessary supporting documents), such bank account may not be considered for payment of redemption proceeds, or the Fund may withhold the payment for up to 10 calendar days to ensure validation of new bank mandate mentioned. Valid change of bank mandate requests with supporting documents will be processed within ten business days of necessary documents reaching the head office of the RTA and any financial transaction request received in the interim will be carried based on previous details only. For more details please refer our website [www.sundarammutual.com](http://www.sundarammutual.com). For any queries and clarifications that you may have, please get in touch with us at our office or call our Contact No.: 1860 425 7237 (India) +91 40 2345 2215 (NRI).

#### Non-Acceptance of Third Party Instruments

Applications accompanied by a Third Party Instrument will be rejected. Applications accompanied by pre-funded Party Instruments instruments (such as demand drafts, pay order etc.) will also be rejected unless accompanied by a banker's certificate evidencing the source of the funds. In case such pre-funded instruments are purchases through CASH for value of Rs 50000/- and above the same shall also be rejected irrespective of being supported with banker's certificate. Following are the exceptional situations when Third-Party Payments can be made with relevant declaration and KYC/PAN of such Third Party:

- (i) Payment made by parents/grand-parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (for each regular purchase or per SIP installment);
- (ii) Payment made by an employer on behalf of its employee(s) under Systematic Investment Plans through payroll deductions;
- (iii) Custodian on behalf of an FII or a client.

The above list is not a complete list and is only indicative in nature and not exhaustive. Any other method of payment, as introduced by the Fund will also be covered under these provisions. The Investment Manager may also request for additional documentation as may be required in this regard from the investor/person making the payment. When payment is made through pre-funded instruments (such as Pay Order, Demand Draft, Banker's cheque, etc.), a certificate from the issuing banker must accompany the application stating the account holder's name and the account number which has been debited for the issue of the instrument. If payment is made by RTGS, NEFT, ECS, bank transfer, etc., a copy of the instruction to the bank stating the account number debited must accompany the application. The Investment Manager may, at its discretion, reject any application which is incomplete or not accompanied with valid documents.

#### C. Periodic Disclosures

**Net Asset Value** (This is the value per unit of the Scheme on a particular day. An investor can ascertain the value of his holdings by multiplying the units owned with the NAV.)

The Investment Manager will calculate and disclose the first NAV of the scheme not later than five business days from the allotment of units. The Investment Manager will prominently disclose the NAVs of all schemes under a separate head on its website and on the website of Association of Mutual Funds in India (AMFI). Further, the Investment Manager will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

NAV will be updated on the website of Association of Mutual Funds of India [www.amfiindia.com](http://www.amfiindia.com) before 11.00 p.m. every business day and on the website of AMC [www.sundarammutual.com](http://www.sundarammutual.com). In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of working hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

**Portfolio Disclosure (Half yearly / monthly)** The Investment Manager shall disclose the portfolio (along with ISIN) as on the last day of the month / half-year for all the schemes in its website [www.sundarammutual.com](http://www.sundarammutual.com) and on the website of AMFI within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format.

In case of unitholders whose e-mail addresses are registered, the Investment Manager will 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.

The Investment Manager will publish an advertisement every half-year disclosing the hosting of the half-yearly statement of its schemes portfolio on their respective website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Such advertisement will be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

The Investment Manager will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

### Half Yearly Results

Sundaram Mutual fund shall make half yearly disclosures of unaudited financial results on its website [www.sundarammutual.com](http://www.sundarammutual.com) in the prescribed format within one month from the close of each half year, i.e. on 31st March and on 30th September. The half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of the mutual fund. In addition, Sundaram Mutual Fund shall publish an advertisement disclosing the hosting of such financial results in its website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of Sundaram mutual fund is situated.

### Annual Report

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular No. Cir/IMD/ DF/16/2011 dated September 8, 2011, read with SEBI Mutual Fund (Second Amendment) Regulation 2018, the Scheme-wise annual report or an abridged summary thereof shall be provided by AMC/Mutual Fund within four months from the date of closure of relevant accounting year in the manner specified by the Board.

The scheme wise annual report will be hosted on the websites of the Investment Manager and AMFI. The Investment Manager will display the link on its website and make the physical copies available to the unitholders, at its registered offices at all times. The Investment Manager will e-mail the scheme annual reports or abridged summary thereof to those unitholders, whose email addresses are registered with the Mutual Fund. In case of unitholders whose email addresses are not registered with the Mutual Fund, the Investment Manager will communicate to the unitholders, through a letter enclosing self-addressed envelope enabling unitholders to 'opt-in' within 30 days, to continue receiving a physical copy of the scheme-wise annual report or abridged summary thereof.

The Investment Manager will conduct one more round of similar exercise for those unitholders who have not responded to the 'opt-in' communication as stated above, after a period of not less than 30 days from the date of issuance of the first communication. Further, a period of 15 days from the date of issuances of the second communication. The Investment Manager will publish an advertisement every year disclosing the hosting of the scheme wise annual report on its website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter), etc. through which unitholders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement will be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

The Investment Manager will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unitholder.

### Associate Transactions

Please refer to Statement of Additional Information

### Taxation

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the Scheme.

**Please refer a summary of tax-related aspects in the section-Highlights and Summary of this document and the Statement of Additional Information at [www.sundarammutual.com](http://www.sundarammutual.com).**

**Investor services**

Prospective investors and existing unit holders are welcome to contact Customer Service using the Contact No. 1800 425 7237 (India) +91 40 2345 2215 (NRI).

Investors may also contact the Investor Relations Manager.

**Dhiren H Thakker**

Head- Customer Services  
Sundaram Asset Management Company Limited  
Satellite Gazebo, Unit no. 101/102, B Wing,  
B D Sawant Marg, Chakala,  
Andheri-Ghatkopar Link Road,  
Andheri (East), Mumbai – 400 093.  
Contact No. 1860 425 7237 (India) +91 40 2345 2215 (NRI)  
Email us at : customerservices@sundarammutual.com  
(NRI): nriservices@sundarammutual.com

The Mutual Fund endeavours to complete all monetary and non-monetary transactions within ten business days from the date of receipt of request.

**D. Computation of NAV**

The Net Asset Value (NAV) is the most widely accepted yardstick for measuring the performance of any Scheme of a Mutual Fund. NAV calculations shall be based upon the following formula:

$$\frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Current Liabilities and Provision}}{\text{Number of units outstanding of the Scheme}}$$

Valuation of Scheme's assets and calculation of the Scheme's NAV will be subject to such rules or regulation that SEBI may prescribe.

NAV of the Scheme – plan/option wise - will be calculated and disclosed up to four decimals.

For more details relating to valuation, please refer Highlights & Scheme Summary.

**Methodology of calculating the sale and repurchase price of units**

**Sale Price:** Applicable NAV

**Repurchase Price:** The exit fee is usually a percentage of the Net Asset Value (NAV) of the mutual fund held by investors. Once the AMC deducts the exit load from the total Net Asset Value, the remaining amount gets credited to the investor's account.

Suppose, an investor has invested Rs.10,000 in mutual fund schemes in January 2017. The NAV of the scheme is Rs. 100 and the exit fee for redeeming before one year is 1%. In March 2017, the investor opt for an additional investment of 50 units at Rs 105 in the same fund. He redeems all his investments in the fund in November 2017, when the NAV is Rs. 110 in scenario 1 and Rs 115 in scenario 2 (February 2018)?

**His exit load is as follows:**

100 Units bought in January 2017 @ Rs 100 = Rs 10,000

50 units bought in March 2017 @ Rs 105 = Rs 5,250

**Scenario 1 (Full Redemption before expiry of 1 year)**

Exit charges on redemption in November 2017.

**Exit Load:** 1% of [(100 units x Rs. 110) + (50 units x Rs. 110)] = Rs 165.

**The amount credited the investor:** Rs. 16,500 (Rs. 110\*150 units) – Rs. 165 = Rs. 16,335 (Total NAV – Exit fee)

In scenario 1 exit load is applicable on 150 units purchased in January and March 2017 as the holding period is less than 1 year

**Scenario 2 (Full Redemption after expiry of 1 year)**

Investor redeems 50 units

Exit charges on redemption in February 2018.

**Exit Load:** 1% of (50 units x Rs. 115) = Rs 57.5

**The amount credited the investor:** Rs.17,250 (Rs. 115\*150 units) – Rs.57.5= Rs.17,192.5 (Total NAV-Exit fee)

In scenario 2 exit load is not applicable on 100 units purchased in January 2017 as the holding period is more than 1 year

**IV. Fees, Expenses & Load Structure****A. New Fund Offer Expenses**

Initial issue expenses shall be borne by the Investment Manager/AMC and not by the scheme of mutual fund.

Demand Draft charges shall be borne by Sundaram Asset Management as per prevailing SBI norms.

**B. Recurring Expenses & Fee (Fundamental Attribute)**

- The total annual recurring expenses of the Scheme, excluding deferred revenue expenditure written off, issue or redemption expenses, but including the investment management and advisory fee that can be charged to the scheme shall be within the limits specified in Regulation 52 of SEBI (Mutual Funds) Regulations.

The expenses chargeable to the scheme shall include investment management & advisory fee, Trustee fee, custodian fee, Registrar and Transfer Agent fee, Audit fee, Marketing and Selling expenses and other expenses as listed in the table below:

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.25%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
GST on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses	
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (4) and (6) (c)</b>	<b>Upto 2.25%</b>
Additional expenses for gross new inflows from specified cities under regulation 52 (6A) (b)	Upto 0.30%
Additional expenses under regulation 52 (6A) (c)	Upto 0.05%

The current expense ratios will be updated on the AMC website viz. [www.sundarammutual.com/TER](http://www.sundarammutual.com/TER) at least three working days prior to the effective date of change.

"Expenses charged under the said parameters shall be in line with the Regulation 52 of SEBI (MF) Regulations or such other basis as specified by SEBI from time to time.

Brokerage & Transaction costs which are incurred for the purpose of execution of trade and is included in cost of investments, not exceeding 0.12% in case of cash market transactions and 0.05% of the value of trades in case of derivatives transactions. - **Please refer point 2 in page 61 below the illustration**

Additional expenses for gross new inflows from specified cities under regulation 52 (6A) (b) - Upto 0.30%

The maximum total expense ratio (TER) permissible under Regulation 52 (4) and (6) (c) that can be charged to the scheme as a percentage of daily net assets shall be as follows:

First Rs 500 crore	: 2.25%
Next Rs 250 crore	: 2.00%
Next Rs 1,250 crore	: 1.75%
Next Rs 3,000 crore	: 1.60%
Next Rs 5,000 crore	: 1.50%
Next Rs 40,000 crore	: Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores or part thereof.
On balance of assets	: 1.05%

As per **Regulation 52(6A)(b)**, the an additional expense upto 0.30% (30 basis points) on the daily net assets shall be charged to the scheme if new inflows into the scheme from beyond top 30 cities as specified by SEBI, from time to time, are at least:

- 30% of the gross new inflows in the scheme (or)
- 15% of the average assets under management (year to date) of the scheme, whichever is higher.

In case the inflows from such cities is less than the higher of (a) or (b) above, expenses shall be charged to the scheme on a proportionate basis as prescribed in the SEBI circular dated September 13, 2012.

The amount so charged shall be utilised for distribution expenses incurred for bringing inflows from such cities. However, the amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme(s) in case the said inflows are redeemed within a period of one year from the date of investment.

Top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography - Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

Additional TER can be charged based on inflows only from retail investors from B30 cities. Inflows of amount upto Rs.2 lakhs per



transaction by individual investors shall be considered as inflows from "retail investor".

Top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography - Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

The expense ratio of Direct Plan shall be lower than that of the Regular Plan as it shall exclude distribution expenses like commission, etc. No commission for distribution of Units will be paid / charged under Direct Plan. The direct plan will also have a separate NAV.

**Note:** The above percentage is based on the prevailing expenses ratio. Any change in the above mentioned distribution expenses/commission will be replaced while filing the final SID.

*SEBI vide Circular dated October 22, 2018 made the following changes with regard to Total Expense Ratio and the substance of the circular is as under:*

#### A. Transparency in TER

1. All scheme related expenses including commission paid to distributors, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the Asset Management Companies (AMC), its associate, sponsor, trustee or any other entity through any route.
2. MFs/ AMCs shall adopt full trail model of commission in all schemes, without payment of any upfront commission or upfronting of any trail commission, directly or indirectly, in cash or kind, through sponsorships, or any other route. However, upfronting of trail commission will be allowed only in case of inflows through Systematic Investment Plans (SIPs).
3. All fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee will not exceed the fees and expenses charged under such heads in a regular plan.
4. No pass back, either directly or indirectly, shall be given by MFs/ AMCs/ Distributors to the investors.
5. Training sessions and programmes conducted for distributors should continue and should not be misused for providing any reward or non-cash incentive to the distributors.

#### B. Additional TER of 30 bps for penetration in B-30 cities

B. Additional TER of 30 bps for penetration in B-30 cities Additional TER can be charged based on inflows only from retail investors from B30 cities. Inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor. The additional commission for B 30 cities shall be paid as trail only.

The Investment Manager will comply with the above circular.

Sundaram Asset Management reserves the right to charge different heads of expenses, both inter-se or in total, within the overall limits as specified in the table above.

#### Illustration on Total Expense Ratio

##### Value of Rs.10000 on 12% annual returns in 1 year, considering 1% Expense Ratio

Amount Invested	10,000.00
NAV at the time of investment	10
No. of units	1,000.00
Assume gross appreciation	12%
Gross NAV	11.2
Expenses (assuming 1% Expense Ratio on average of opening & closing NAV)	0.11
Actual NAV at the end of 1 year post expenses (assuming Expense Ratio as above)	11.09
Value of Investment at the end of 1 year (Before Expenses)	11,200.00
Percentage Return	12%
Value of Investment at the end of 1 year (After Expenses)	11,094.00
Percentage Return	10.94%

*Note: Please note that the above is an approximate illustration of the impact of expense ratio on the returns, where the Gross NAV has been simply reduced to the extent of the expenses. In reality, the actual impact would vary depending on the path of returns over the period of consideration. Expenses will be charged on daily net assets.*

2. Brokerage and transaction costs which are incurred for execution of trades and included in the cost of investment shall be charged to the Scheme(s) in addition to the total expense limits prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations. These expenses shall not exceed 0.12% of the value of trades in case of cash market transactions and 0.05% of the value of trades in case of derivatives transactions. Payment towards brokerage and transaction cost in excess of 0.12% and 0.05% for cash market transactions and derivatives transactions respectively shall be charged to the scheme within the maximum limits prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure (including brokerage and transaction cost, if any) in excess of the prescribed maximum limit shall be borne by the Investment Manager or by the Trustee or Sponsor.
3. The Investment Manager shall set apart at least 0.02% (2 basis points) on the daily net assets of the scheme(s) within the maximum limit of total expense ratio prescribed under Regulation 52 of SEBI (Mutual Funds) Regulations for initiatives towards investor education and awareness taken by Sundaram Mutual fund.
4. GST:
  - Pursuant to SEBI circular no CIR/IMD/DF/24/2012 dated November 19, 2012, GST on brokerage and transaction cost

paid for execution of trade, if any, shall be within the expenses limit prescribed under Regulation 52 of SEBI (Mutual Funds) Regulations.

- GST on investment management and advisory fee shall be charged to the scheme in addition to the maximum limit of total expense ratio as prescribed in Regulation 52 of SEBI (Mutual Funds) Regulations.
- GST for services other than investment management and advisory shall be charged to the scheme within the maximum limit of total expense ratio as prescribed in Regulation 52 of SEBI (Mutual Funds) Regulations.

**Any circular/clarification issued by SEBI in regard to expenses chargeable to the Scheme/Plan(s) will automatically become applicable and will be incorporated in the SID/SAI/KIM accordingly.**

### C. Load Structure

Type of Load	Load chargeable (as % age of NAV)
Entry	NIL
Exit*	<p>If units purchased or switched in from another scheme of the Fund are redeemed or switched out within 1 Year from the date of allotment:</p> <ul style="list-style-type: none"> <li>• for up to 10% of such units - exit load: Nil.</li> <li>• for more than 10% of such units – exit load: 1% of applicable Net asset Value (NAV)</li> </ul> <p>If units purchased or switched in from another scheme of the Fund are redeemed or switched out after 1 Year from the date of allotment - NIL.</p>

\*Applicable for investments made through normal purchase and SIP/STP/SWP transactions.

Any imposition or enhancement in the load shall be applicable on prospective investments only and will be calculated on First in First out (FIFO) basis.

However, the upfront commission to distributor (ARN holder) will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor. The distributor (ARN holder) will disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing Scheme of various mutual funds from amongst which the Scheme is being recommended to the investor.

#### Applicability

- (a) Units issued on reinvestment of dividend shall not be subject to exit load
- (b) Prescribed exit load will be applicable for switch out and every instalment under a Systematic Transfer Plan and Systematic

Withdrawal Plan. The period indicated for exit load shall be reckoned from the date of allotment.

- (c) Switch of existing investments from Regular Plan to Direct Plan where the transaction has been received without broker code in the Regular Plan shall not be subject to exit load.

However, any subsequent switch / redemption of such investment shall be subject to exit load based on the original date of investment in the Regular Plan and not from the date of switch into Direct Plan. (effective from April 01, 2013)

- (d) In case of switch of investments from Regular Plan to Direct Plan received with broker code in the Regular Plan, the exit load as applicable to redemption of units under the respective scheme(s) shall apply.
- (e) In case of switch of investments from Direct Plan to Regular Plan, no exit load shall be levied. However, any subsequent switch-out or redemption of such investment shall be subject to exit load based on the original date of investment in the Direct Plan and not from the date of switch into Regular Plan. (effective from April 01, 2013)

The Board of Trustee reserves the right to prescribe or modify the exit load structure with prospective effect, subject to a maximum as prescribed under SEBI Regulation.

Details of the modifications will be communicated in the following manner:

- Addendum detailing the changes will be attached or incorporated to the SID and Key Information Memorandum. The addendum will become an integral part of this Scheme Information Document.
- The change in exit load structure will be notified by a suitable display at the Corporate Office of the Sundaram Asset Management and at the Investor Service Centres of the registrar.
- A public notice shall be given in one English daily newspaper having nation-wide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

The introduction/modification of exit load will be stamped on the acknowledgement slip issued to the investors on submission of an application form and will also be disclosed in the account statement issued after the introduction of such exit load.

Investors are requested to ascertain the applicable exit load structure prior to investing.

#### Transaction Charge to Distributors

- 1 The Distributor would be allowed to charge the Mutual Fund Investor a Transaction Charge where the amount of investment is Rs. 10,000/-and above on a per subscription basis

- 2 For an investor other than First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 100/- per subscription of Rs. 10,000/- and above

For a First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 150/- per subscription of Rs. 10,000/- and above

- 3 The Transaction Charge, where applicable based on the above criteria, will be deducted by the Investment Manager from the subscription amount remitted by the Investor and paid to the distributor; and the balance (net) amount will be invested in the scheme. Thus units will be allotted against the net investment.
- 4 No Transaction charges shall be levied:
- Where the distributor/agent of the investor has not opted to received any Transaction Charges;
  - Where the investor purchases the Units directly from the Mutual Fund;
  - Where total commitment in case of SIP / Purchases / Subscriptions is for an amount less than Rs. 10,000/-;
  - On transactions other than purchases / subscriptions relating to new inflows.
- Switches / Systematic Transfers / Allotment of Bonus Units / Dividend reinvestment Units / Transfer / Transmission of units, etc will not be considered as subscription for the purpose of levying the transaction charge.
- Purchases / subscriptions carried out through stock exchange(s).

The distributors can opt-in / opt-out of levying transaction charges based on 'type of the Product/Scheme' instead of 'for all Schemes'. Accordingly, the transaction charges would be deducted from the subscription amounts, as applicable.

However, the distributor shall not be able to opt-in or opt-out at the investor-level i.e. a distributor shall not charge one investor and choose not to charge another investor.

The transaction charges are in addition to the existing system of commission permissible to the Distributors. On subscription through Distributors, the upfront commission if any will be paid directly by the Investors to the Distributor by a separate cheque based on their assessment of various factors including the service rendered by the Distributor.

Any circular/clarification issued by SEBI in this regard will automatically become applicable and will be incorporated in the SID/SAI/KIM wherever applicable.

**Investors are requested to ascertain the transaction charges prior to investing.**

## V. Rights of Unitholders

Please refer to Statement of Additional Information for a detailed view of the rights of unit holders.

## VI. Penalties & Pending Litigations

- Details of penalties awarded by SEBI under the SEBI Act or any of its Regulation against the sponsor of the Mutual Fund in the last three years: Nil
- No penalties have been awarded by SEBI under the SEBI Act or any of its Regulation against the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the Investment Manager, Trustee or any of the directors or any key personnel (specifically the fund managers) of the Investment Manager and Trustee. No penalties have been awarded on the Sponsor and its associates by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors. No penalties have been awarded for any economic offence and violation of any securities laws.
- There are no pending material litigation proceedings incidental to the business of the Mutual Fund to which the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the Investment Manager, Trustee or any of the directors or key personnel of the Investment Manager is a party. Further, there are no pending criminal cases against the Sponsor or any company associated with the sponsor in any capacity including the Investment Manager, Trustee or any of the directors or key personnel.
- There is no deficiency in the systems and operations of the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity, including the Investment Manager which SEBI has specifically advised to be disclosed in the Scheme Information Document, or which has been notified by any other regulatory agency.
- There are no enquiries or adjudication proceedings under the SEBI Act and the Regulation, which are in progress against any company associated with the sponsor in any capacity including the Investment Manager, Trustee or any directors or key personnel of the Investment Manager.

## Jurisdiction

All disputes arising out of or in relation to the issue made under the Scheme will be subject to the exclusive jurisdiction of courts in India.

## Applicability of SEBI (Mutual Fund) Regulations

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





## Customer Care Centres of Sundaram Asset Management Company Limited

**Agra**, Shop no.9/4, Shanker Point, Sanjay Place, Near Income Tax Building, Pin code: 282002. **Ahmedabad**, No 409, Shree Balaji Paragon, Near Hotel Rock Regency, C.G. Road, Navrangpura, Ahmedabad - 380009. **Ajmer**, 1st Floor, Adjoining K C Complex Opp: Daulat Bagh, Ajmer 305001. **Akola**, C-13, First Floor, Dakshata Nagar, Vyapari Complex, Sindhi Camp Chowk, Akola-444001. **Allahabad**, Vashishtha Vinayal Tower, Upper Ground Floor, 38/1 Tashkhant Marg, Allahabad - 211001. **Amaravati**, Sundaram Finance Ltd, 2nd floor, Sakshi Complex, Opp. Rajapeth Police Station, Mudholkar Peth, Badnera Road, Amravati-444605. **Amritsar**, C/O Sundaram Finance Ltd, 1st Floor, 27-A, Classic Plaza, Majitha Road, Amritsar 143001. **Anand**, 202 Drashit Arcade, Opp. HDFC Bank, Lambhvel Road, Anand 388001. **Aurangabad**, Office No-36 Motiwala Trade Center, Nirala Bazar Opp HDFC Bank, Aurangabad-431001. **Bangalore**, No.F18, First Floor, Lucky Paradise, 8th F Main, 22nd Cross, 3rd Block Jayanagar, Bangalore-560011. **Bangalore**, Ground Floor Sana Plaza, 21 / 14 - A, M.G. Road, Near Trinity Metro Station, Bangalore - 560001. **Baroda**, Office No. 109, First Floor, Siddharth Complex, R C Dutt Road, Baroda - 390007. **Bhagalpur**, Ground Floor, Chandralok Complex, Near Ghantaghar, Radha Rani Sinha Road, Mashakhak, Ps Adampur (Kotwali), Bhagalpur 812001. **Bhavnagar**, F1 Krishna Complex, Near desai nagar petrol pump, Chitra, Bhavnagar - 364003. **Bhilai**, 36/5, 1st Floor, Nehru Nagar, Beside of ING Vysa Bank, Bhilai 490020. **Bhopal**, Plot no.6 VNV Plaza 2nd Floor Bank Street, M.P Nagar Zone 2, Bhopal - 462011. **Bhubaneswar**, Office No. 16, 2nd Floor, Deen Dayal Bawan, Ashok Nagar, Bhubaneswar 751009. **Burdwan**, 5 B, M.V Apartment, 36 G.T. Road, Parbithata, Po: Sripally, Burdwan 713103. **Calicut**, 1st Floor, Karupalli Square, YMCA Cross Road, Calicut-673001. **Chandigarh**, S.C.O II Floor, 2475-2476, 22/C, Chandigarh 160022. **Chennai (HO)**, Sundaram Towers 1st & 2nd Floor, No.46 Whites Road, Royapettah, Chennai - 600014. **Chennai (Mount Road)**, 1st Floor Metro Plaza, 221 (Old No. 162), Anna Salai, Mount Road, Opp. Spencer Plaza, Chennai-600 002. **Cochin**, Kassim Towers, 36/1899 Door No.D I Floor Sebastian Road, Off. Kaloor, Kadavanthra Road, Kaloor, Cochin - 682017. **Coimbatore**, 101-E, II Floor, Kala Mansion Building, D B Road, R. S Puram, Coimbatore - 641002. **Cuttack**, 1st Floor, Kailash Plaza, (In Front of BSNL Office), Link Road, Cuttack-753012. **Davangere**, C/O Sundaram Finance Ltd, # 268 Jayavibhava Nilaya, 1st Floor, 4th Main, Opp Ram & Co. Provision Stores, P J Extension, Davangere -577002. **Dehradun**, 57/19, Raipur Road, II Floor, Shiva Palace, Dehradun - 248 006. **Delhi**, Room no. 301/314, 3rd floor, Ashoka Estate, 24 Barakhamba Road, New Delhi - 110001. **Dhanbad**, At- South Balihari (SBY-62), Po- Kusunda, Dist- Dhanbad- 828116, Jharkhand. **Durgapur**, A-307, Bengal Shristi Complex, II Floor, Citi Center, Durgapur - 713 216. **Erode**, Ms. URT Tower, No 139/1, Perundurai Road, Erode 638011. **Goa**, F 30, Alfranz Plaza, Opp Don Bosco, MG Road Panjim, Goa - 403001. **Gorakhpur**, Opposite M. G. Inter College Mane Gate, M. G. Lean, Bank Road, Gorakhpur 273001. **Gurugram**, Unit No 11, Vipul Agora, Agora, Mehrauli - Gurugram Road, Gurugram - 122002. **Guwahati**, 4th Floor, Ganpati Enclave Above Datamation, Bora Service. G.S Road, Guwahati 781007. **Gwalior**, II Floor, 44 City Centre, Narayan Krishna, Madhav Rao Scindia Road, Gwalior -474002. **Hubli**, Shop No. UGF 4/5, Eureka Junction, T.B.Road Hubli, Karnataka -580029. **Hyderabad**, Level-5, (5th Floor)6-3-1089/F, RVR Towers, Raj Bhavan Road, Somajiguda, Hyderabad-500082. **Indore**, 205 Starlit Tower 29/1 Y N Road, Indore-452001. **Jabalpur**, Second Floor, Digambar Tower, 936, Wright Town, Pandit Bhawani Prasad Ward, Napier Town, Jabalpur-482002. **Jaipur**, No. 202, Second Floor, OK Plus Towers, Church Road, C-Scheme, Jaipur - 302001. **Jalandhar**, Shop No - 11 B, 3rd Floor, City Square Mall, Civil Lines, Jalandhar 144 001. **JALGAON**, Second Floor, India Plaza Complex, Vivekanand Nagar, Swatantry Chowk, Jilha Peth, Jalgaon - 425 001. **Jamnagar**, 404, Corporate House, Opp. To St. Ann's High School, Pandit Nehru Marg, Jamnagar -361008. **Jamshedpur**, Shop No - 4, 3rd Floor, Meghdeep Building, Beside Hotel South Park, Q Road, Bistupur, Jamshedpur - 831004. **Jodhpur**, 116, 1st Floor, Mody Arcade, Chopasani Road, Near Bombay Motor Cycle, Jodhpur - 342001. **Kanpur**, 218/219 Kan Chambers, 2nd Floor, 114/113 Civil Lines Kanpur 208001. **Kolhapur**, Office No:12, 2nd Floor, R.D.Vichare Complex (Gemstone) Near Central Bus Stand, New Shahupuri Kolhapur 416001. **Kolkatta**, P-38 Princep Street, Ground Floor, Off Bentinck Street, (Opp Orient Cinema), Kolkatta-700072. **Kolkatta**, No. 7, Camac Street, Azimganj House III Floor, Block No. 6, Kolkatta - 700017. **Kota**, Second Floor, (Above Reebok Showroom), 393, Shopping Centre, NR.Ghode Wale Baba Circle, Kota,Rajasthan - 324007. **Kottayam**, CSI ascension Square, Logos Junction, Collectorate .P.O, Kottayam-686002. **Lucknow**, 104, UGF Sky Hi Chambers, 5- Park Road, Lucknow-226001. **Ludhiana**, SCO 18,Cabin No.401, 4Th Floor, Feroz Gandhi Market, Ludhiana - 141001. **Madurai**, No. 183 C - North Veli Street,Opp Duke Hotel, Madurai - 625001. **Mangalore**, B-2, Souza Arcade, Balmatta Road, Mangalore 575001. **Mehsana**, FF/01, Sigma Oasis, Near Rajkamal Petrol Pump, B/S HDFC Bank, Highway Road, Mehsana-384002. **Moradabad**, C/O Sundaram BNP Fund Services, Office no. 3, Second Floor Sri Vallabh Complex near PMS School, Moradabad - 244001. **Mumbai (Andheri East)**, Satellite Gazebo, Office No. 101 & 102, B - Wing, B D Sawant Marg, Mota Nagar, Andheri East, Mumbai - 400093. **Mumbai (Borivali)**, West, Shop No. 2, Ground Floor in "Suchita Enclave" Co-operative Housing Society Limited, Maharashtra Nagar, Off. Chandavarkar Road, Borivali (West), Mumbai - 400092. **Mumbai (Nariman Point)**, Office No. 1222, 12Th Floor, Maker Chamber V, Nariman Point, Mumbai - 400021. **Mumbai (Thane West)**, Shop No 3, Ramrao Sahani Sadan, Kaka Sohoni Road, Behind P.N.Gadgil Jewellers, Off Ram Maruti Road, Thane West-400601. **Muzaffarpur**, Saroj Complex, Diwan Road, Muzaffarpur - 842002. **Mysore**, 145, 2nd Floor, 5th main, 5th cross, Opposite to Syndicate Bank, Saraswathipuram, Mysore -570009, Karnataka, Phone: 97310-11115. **Nagpur**, C/O.Fortune Business Centre, Plot No.6, Vasant Vihar Complex, WHC Road, Shankar Nagar, Nagpur - 440010. **Nashik**, Shop No. 1, Shrinath Apartment, Pandit Coliway- Lane No. 3, Sharanpur Road, Nashik- 422 002. **Panipat**, No 75 BMK market, Sundaram finance near Hive Hotel GT above Airtel office/Panipat-132103. **Patna**, 205, Ashiana Harniwas, New Dak Bungalow Road, Patna - 800001. **Pondicherry**, No. 181, Thiruvalluvar Salai, Pillaitthottam, Opp to Bahavan Saw Mill, Pondicherry - 605013. **Panipat**, House No. 58, Bajaj House, Geeta Colony, Panipat - 132103. **Pune**, Second Floor 1202/5 "Shalini Sky I" building Near ICICI bank Ghole Road, Shivaji Nagar, Pune - 411 005. **Raipur**, Office No. S-8, 2nd floor, Raheja Towers, Near Fafadih Square, Jail Road, Near Fafadih Square, Jail Road, Raipur, PIN 492001. **Rajkot**, 301, Metro Plaza, Nr Eagle Travels, Jansata Press Road, Bhilwals Chowk, Rajkot - 360001. **Ranchi**, #205, 2nd Floor, M.R. Tower, Line Tank Road, Ranchi-834001. **Rourkela**, C/O SBFS Ltd, Dhananjay Niwas, 2nd Floor, Uditi Nagar. Rourkela-769012. **Salem**, No. 20, 1st Floor, Ramakrishna Road, Near Federal Bank, Salem - 636007. **Sangli**, S1 - S2, Second Floor, Shiv Ratna Complex, CST No 1047B, Shiv Ratan Complex, College Corner North Shivaji Nagar, Madhav Nagar, Sangli - 416416. **Siluguri**, C/O Home Land, 4th Floor, Opp. Sona Wheels Showroom, 2.5 Mile, Sevoke Road, P.S-Bhakti Nagar, Siliguri - Dist - Jalpaiguri-734008, West Bengal. **Surat**, HG-18 International Trade Centre, Majuragate, Surat - 395002. **Thanjavur**, C/O. Sundaram Finance Ltd, Crs Towers 1st Floor, Opp To Hotel Sangam, Near Kavitha Mandaram, Thanjavur - 613007. **Thirunelveli**, First Floor, No 985/1-C2, 1D, Indira Complex, South Bye Pass Road, Opp To Passport Office, Tirunelveli 627005. **Thrissur**, 2nd Floor, Sri Lakshmi Building, Shornool Road, Near, Thiruvampady Temple, Thrissur - 680022. **Trichy**, 60/2, Krishna Complex, I St Floor, Shastri Road, Thennur, Trichy - 620017. **Trivandrum**, 1st Floor, Bava Sahib Commercial Complex, Ambujavilasam Road, Old GPO, Thiruvananthapuram-695001. **Udaipur**, C/O Sundaram Finance Ltd, 04th Floor, Plot No-32/1105 Centre Point Building, Opposite- B.N College, Udaipur, Rajasthan-313001. **Vapi**, Shop No - 19 & 20, First Floor, Walden Plaza, Imran Nagar (opp to SBI), Daman - Silvassa Road, Vapi - 396191. **Varanasi**, Shop No-60, 1st Floor, Kuber Mall, Rathyatra, Varanasi - 221010. **Vellore**, C/O Sundaram Finance Limited. First floor, 141/3, M P Sarathi Nagar, Vellore District Bus Owners Association Building, Chennai - Bangalore Bye Pass Road, Vellore - 632012. **Vijayawada**, Rajagopala Chari Street, Mahalakshmi Towers, 1st Floor, Shop No 4, Buckinghampet Post Office Road, Vijayawada - 520 002. **AP Visakhapatnam**, Shop No.2, 3 Rd Floor, Navaratna Jewel Square, Dwarakanagar, Beside Jyothi Book Depot, Visakhapatnam-530016.

**Dubai - Representative Office**, Unit No. 714, Level 7, Burjuman Business Tower, Bur Dubai, Dubai UAE

## Customer Care Centres of of KFin Technologies Private Limited

**Agartala**, Bidurkarta Chowmuhani, J N Bari Road, Tripura (West), 799001. **Agra**, 1st Floor, Deepak Wasan Plaza, Behind Holiday Inn, Sanjay Place, 282002. **Ahmedabad**, 201/202 Shail Complex, Opp: Madhusudan House, B/H Girish Cold Drink, Off C G Road, Navrangpura, 380006. **Ajmer**, 302, 3rd Floor, Ajmer Auto Building, Opposite City Power House, 305001. **Akola**, Yamuna Tarang Complex, Shop No 30,, Ground Floor, N.H. No- 06, Murtizapur Road, Opp Radhakrishna Talkies, 444004. **Aligarh**, 1st Floor, Kumar Plaza, Ramghat Road, 202001. **Allahabad**, Rsa Towers, 2Nd Floor, Above Sony TV Showroom, 57, S P Marg, Civil Lines, 211001. **Alleppy**, 1st Floor, Jp Towers, Mullackal, Ksrct Bus Stand, 688011. **Alwar**, 101, Saurabh Tower , Opp. Uit , Near Bhagat Singh Circle, Road No. 2, 301001. **Amaravathi**, Shop No. 21, 2nd Floor, Gulshan Tower, Near Panchsheel Talkies, Jaistambh Square, 444601. **Ambala**, 6349, Nicholson Road,, Adjacent Kos Hospitalambala Cant, 133001. **Amritsar**, 72-A, Taylor'S Road, Opp Aga Heritage Club, 143001. **Anand**, B-42 Vaibhav Commercial Center, Nr TVS Down Town Show Room , Grid Char Rasta, 380001. **Ananthapur**, #15/149, 1st Floor, S R Towers, Subash Road, Opp. To Lalitha Kala Parishad, 515001. **Ankleshwar**, L/2 Keval Shopping Center, Old National Highway, Ankleshwar, 393002. **Asansol**, 114/71 G T Road, Bhanga Panchil Near Nokia Care, 713303. **Aurangabad**, Ramkunj Niwas , Railway Station Road, Near Osmanpura Circle, 431005. **Azamgarh**, 1st Floor, Alkal Building, Opp. Nagaripalika Civil Line, 276001. **Balasore**, M.S Das Street, Gopalgaon,, Balasore, Orissa, 756001. **Bangalore**, 59, Skanda puttanna Road, Basavanagudi, 560004. **Bankura**, Ambika Market Complex (Ground Floor), Nutanganj, Post & Dist Bankura, 722101. **Bareilly**, 1st Floor, Rear Side, A - Square Building, 154-A Civil Lines, Opp.D. M. Residence, Station Road ,Bareilly, 243001. **Barhampore (WB)**, Thakur Market Complex, Gorabazar, Post Berhampore Dist Murshidabad, 72 No Nayasarak Road, 742101. **Baroda**, 203, Corner point,, Jetapur Road,, Baroda, Gujarat, 390007. **Begusarai**, Near Hotel Diamond Surbhi Complex, O.C Township Gate, Kapasiya Chowk, 851117. **Belgaum**, Cts No 3939/ A2 A1, Above Raymonds Show Room, Beside Harsha Appliances, Club Road, 590001. **Bellary**, Shree Gayathri Towers, #4, 1st Floor, K.H.B.Colony,, Gopalaswamy Mudaliar Road, 583103. **Berhampur (Or)**, Opp Divya Nandan Kalyan Mandap, 3rd Lane Dharam Nagar,, Near Lohiya Motor, 760001. **Betul**, 107, 1st Floor, Hotel Utakarsh, J. H. College Road, 460001. **Bhagalpur**, 2Nd Floor, Chandralok Complex, Ghantaghar, Radha Rani Sinha Road, 812001. **Bharuch**, Shop No 147-148, Aditya Complex, Near Kasak Circle, 392001. **Bhatinda**, #2047-A 2Nd Floor, The Mall Road, Above Max New York Life Insurance, 151001. **Bhavnagar**, 303, Sterling Point, , Waghawadi Road, 364001. **Bhilai**, Shop No -1, First Floor Plot No -1, Commercial Complex Nehru Nagar - East, 490020. **Bhilwara**, Shop No. 27-28, 1st Floor, Heera Panna Market, Pur Road, 311001. **Bhopal**, Kay Kay Business Centre, 133, Zone I, Mp Nagar, Above City Bank, 462011. **Bhubaneswar**, A/181 , Back Side Of Shivam Honda Show Room, Saheed Nagar, 751007. **Bikaner**, 70-71, 2Nd Floor I Dr. Chahar Building , Panchsati Circle, Sadul Ganj, 334003. **Bilaspur**, Shop No -225,226 & 227,2nd Floor, Narayan Plaza, Link Road, 495001. **Bokaro**, B-1, 1st Floor, City Centre, Sector- 4, Near Sona Chandi Jewellers, 827004. **Burdwan**, 63 Gt Road, Halder Complex 1st Floor, 713101. **Calicut**, 2nd Floor Soubhagya Shopping Complex, Arayidathpalam, Mavoor Road, 673004. **Chandigarh**, Sco- 2423-2424 , Above Mirchi Restaurant, New Aroma Hotel, First Floor, Sector 22-C, 160022. **Chandrapur**, Shop No-6 Office No-2, 1st Floor Rauts Raghuvanshi Complex, Beside Azad Garden Main Road, 442402. **Chennai**, F-11, Akshaya Plaza, 1st Floor, 108, Adhithanar Salai, Egmore, Opp To Chief Metropolitan Court, 600002. **Chinsura**, J C Ghosh Saranu, Bhanga Gara,, Chinsurah, Hooghly, 721201. **Cochin**, Ali Arcade, 1st Floor, Kizhavana Road, Panampilly Nagar, Near Atlantis Junction, 682036. **Coimbatore**, 3rd Floor, Jaya Enclave, 1057 Avinashi Road, -, 641018. **Cuttack**, Opp Dargha Bazar Police station, Dargha Bazar, Po - Buxi Bazar, 753001. **Darbhanga**, Jaya Complex, 2Nd Floor, Above Furniture Planet, Donar, Chowk, 846003. **Davangere**, D.No 376/2, 4th Main, 8th Cross,, P J Extension, Opp Vijaygishettar School, 577002. **Dehradun**, Kaulagarh Road, Near Sirmaur Margabove, Reliance Webworld, 248001. **Deoria**, 1st Floor, Shanti niketan, Opp. Zila Panchayat, Civil Lines, 274001. **Dewas**, 27 Rmo





House, Station Road, Above Maa Chamunda Gaes Agency, 455001. **Dhanbad**, 208 New Market 2Nd Floor, Bank More, 826001. **Dharwad**, 307/9-A 1st Floor, Nagarkar Colony, Elite Business Center, Nagarkar Colony, P B Road, 580001. **Dhule**, Ground Floor Ideal Laundry, Lane No 4,, Khol Galli, Near Muthoot Finance,, Opp Bhavasar General Store,, 424001. **Dindigul**, No: 9 Old No:4/B, New Agraharam,, Palani Road,, -, 624001. **Durgapur**, MWAV-16 Bengal Ambuja, 2nd Floor City Centre, Distt. BURDWAN, Durgapur-16, 713216. **Eluru**, DNO-23A-7-72/73, K K S Plaza, Munukutla Vari Street, Opp Andhra Hospitals,, R R Peta,, 534002. **Erode**, No: 4, Veerappan Traders Complex,, KMY Salai, Sathy Road, Opp. Erode Bus Stand, 638003. **Faridabad**, A-2B, 3rd Floor, Neelam Bata Road, Peer ki Mazar,, Nehru Groundnit, 121001. **Ferozpur**, The Mall Road, Chawla Building, 1st Floor,, Opp. Centrail Jail, Near Hanuman Mandir, 152002. **Gandhidham**, Shop # 12, Shree Ambica Arcade, Plot # 300, Ward 12. Opp. CG High School, Near HDFC Bank, 370201. **Gandhinagar**, 123, First Floor, Megh Malhar Complex, Opp. Vijay Petrol Pump, Sector - 11, 382011. **Gaya**, 54 Lal Kothi Compound, Shree Krishna Road,, 2nd Floor, North Side, Near Royal Surya Hotel, 823001. **Ghaziabad**, 1st Floor C-7, Lohia Nagar, 201001. **Ghaziipur**, 2Nd Floor, Shubhra Hotel Complex, Mahaabagh, 233001. **Gonda**, Shri Market, Sahabgunj, Station Road, 271001. **Gorakhpur**, Above V.I.P. House adjacent, A.D. Girls College, Bank Road, 273001. **Gulbarga**, Cts No 2913 1St Floor, Asian Towers,, Jagath Station Main Road, Next To Adithya Hotel, 585105. **Guntur**, D No 6-10-27, Srinilayam, Arundelpet, 10/1, 522002. **Gurgaon**, Shop No.18, Ground Floor, Sector - 14, Opp. Akd Tower, Near Huda Office, 122001. **Guwahati**, 1st Floor, Bajrangbali Building,, Near Bora Service Station, GS Road, 781007. **Gwalior**, 2nd Floor, Rajeev Plaza,, Jayendra Ganj, Lashkar, 474009. **Haldwani**, Above Kapilaz, Sweet House, Opp Lic Building, Pilikothi, Kaladhungi Road, 263139. **Haridwar**, 8, Govind Puri, Opp. LIC - 2, Above Vijay Bank, Main Road, Ranipur More, 249401. **Hassan**, SAS no-212, Ground Floor, Sampige Road 1st cross, Near Hotel Souther Star, K R Puram, 573201. **Hissar**, SCO 71, 1st Floor,, Red Square Market, 125001. **Hoshiarpur**, 1st Floor, The Mall Tower,, Opp Kapila Hospital,, Sutheri Road,, 146001. **Hubli**, CTC No.483/A1/A2, Ground Floor, Shri Ram Palza,, Behind Kotak Mahindra Bank, Club Road,, 580029. **Hyderabad**, KARVY HOUSE, No:46, 8-2-609/K, Avenue 4, Street No. 1, Banjara Hills, 500034. **Indore**, 2nd floor, 203-205 Balaji Corporate House, Above ICICI bank, 19/1 New Palasia, Near Curewell Hospital, Janjeerwala Square Indore, 452001. **Jabalpur**, 3rd floor,, R.R. Tower.5, Lajpatkunj, near Tayabali petrol pump,, 482001. **Jaipur**, S16/A 11rd Floor, Land Mark Building Opp Jai Club, Mahaver Marg C Scheme, 302001. **Jalandhar**, 1st Floor, Shanti Towers, SCO No. 37, PUDA Complex, Opposite Tehsil Complex, 144001. **Jalgaon**, 269, Jaaee Vishwa, 1 St Floor, Baliram Peth, Above United Bank Of India,, Near Kishor Agencies, 425001. **Jalpaiguri**, D B C Road Opp Nirala Hotel, Opp Nirala Hotel, Opp Nirala Hotel, 735101. **Jammu**, Gupta's Tower, 2nd Floor, CB-12, Rail Head complex,, 180012. **Jamnagar**, 136-137-138 Madhav Palaza, Opp Sbi Bank, Nr Lal Bunglow, 361001. **Jamshedpur**, 2nd Floor, R. R Square, SB Shop Area, Near Reliance Foot Print & Hotel- Bs Park Plaza, Main Road, Bistupur, 831001. **Jaunpur**, R N Complex, 1-1-9-G, In Front Of Pathak Honda, Ummapur, 222002. **Jhansi**, 371/01, Narayan Plaza, Gwalior Road, Near Jeevan Shah Chauraha, 284001. **Jodhpur**, 203, Modi Arcade, Chopasni Road, 342001. **Junagadh**, 124-125 Punit Shopping Center, M.G Road, Ranavav Chowk, 362001. **Kannur**, 2 Nd Floor, Prabhat Complex, Fort Road, Nr. ICICI Bank, 670001. **Kanpur**, 15/46, B, Ground Floor, Opp: Muir Mills, Civil Lines, 208001. **Karakudi**, No. 2, Gopi Arcade, 100 Feet Road, 630001. **Karimnagar**, D.No: 2-10-1298, 2nd floor, Rathnam Arcade, Jyothi Nagar, 505001. **Karnal**, 18/369, Char Chaman, Kunjipura Road, Behind Miglani Hospital, 132001. **Karur**, No.6, old No.1304, Thiru-vi-ka Road,, Near G.R.Kalyan Mahal,, 639001. **Kharagpur**, 180 Malancha Road, Beside Axis Bank Ltd, 721304. **Kolhapur**, 605/1/4 E Ward, Shahupuri 2Nd Lane, Laxmi Niwas, Near Sultane Chambers, 416001. **Kolkata**, Apeejay House ( Beside Park Hotel ), C Block, 3rd Floor, 15 Park Street,, 700016. **Kollam**, Sree Vigneswara Bhavan, Shastri Junction, Kadapakada, 691001. **Korba**, 1st Floor, City Centre, 97 IRCC, Transport Nagar,, 495677. **Kota**, Plot No. 259, 1st Floor, Near Lala Lajpat Rai Circle, Shopping Centre, 324007. **Kottayam**, 1st Floor Csiascension Square, Railway Station Road, Collectorate P O, 686002. **Kurnool**, Shop No.43, 1st Floor, S V Complex, Railway Station Road, Near Sbi Main Branch, 518004. **Lucknow**, 1st Floor, A. A. Complex, 5 Park Road, Hazratganj, Thaper House, 226001. **Ludhiana**, SCO - 136,, 1st Floor Above Airtel Showroom,, Feroze Gandhi Market,, 141001. **Madurai**, Rakesh towers, 30-C, 1st floor,, Bye pass Road,, Opp Nagappa motors, 625010. **Malappuram**, First Floor, Peekays Arcade, Down Hill,, 676505. **Malda**, Sahis Tuli, Under Ward No.6,, No.1 Govt Colony,, English Bazar Municipality,, 732101. **Mandi**, 149/11, School Bazaar,, Near uco bank, Opp. Hari Mandir, 175001. **Mangalore**, Mahendra Arcade Opp Court Road, Karangal Padi, 575003. **Margao**, 2Nd Floor,, Dalal Commercial Complex, Pajifond, 403601. **Mathura**, Ambey Crown, 2nd Floor, In Front Of Bsa College, Gaushala Road,, 281001. **Meerut**, 1st Floor, Medi Centre opp ICICI Bank, Hapur Road Near Bachha Park, 250002. **Mehsana**, UI/47 Apollo Enclave, Opp Simandhar Temple, Modhera Cross Road, 384002. **Mirzapur**, Abhay Mandir, Above HDFC Bank,, Dankin Gunj, 231001. **Moga**, 1St Floor, Dutt Road, Mandir Wali Gali, Civil Lines, Barat Ghar,, 142001. **Moradabad**, Om Arcade, Parker Road, Above Syndicate Bank, Chowk Tari Khana, 244001. **Morena**, Moti Palace, Near Ramjanki Mandir, Near Ramjanki Mandir, 476001. **Mumbai**, 24/B, Raja Bahadur Compound, Ambalal Doshi Marg,, Behind Bse Bldg, 400001. **Muzaffarpur**, First Floor, Shukla Complex, Near ICICI Bank, Civil Court Branch,, Company Bagh, 842001. **Mysore**, L-350, Silver Tower,, Ashoka Road, Opp. Clock Tower,, 570001. **Nadiad**, 104/105, Near Paras Cinema, City Point Nadiad, 387001. **Nagercoil**, HNO 45, 1st Floor, East Car Street, 629001. **Nagpur**, Plot No 2/1 House No 102/1, Mata Mandir Road, Mangaldeep Apartment Opp Khandelwal Jewelers, Dharampeth, 440010. **Namakkal**, 105/2, Arun Towers,, Paramathi Road, 637001. **Nanded**, Shop No.4,, Santakripa Market,, G G Road, Opp. Bank Of India, 431601. **Nasik**, S-9, Second Floor, Suyojit Sankul, Sharanpur Road, 422002. **Navsari**, 103, 1st Floor Landmark Mall, Near Sayaji Library, Navsari Gujarat,, 396445. **Nellore**, 16-2-158, 3rd floor, Mogarala Complex, Sunday Market Lane, Pogathota, 524001. **New Delhi**, 305 New Delhi House, 27 Barakhamba Road, 110001. **Nizamabad**, H No:5-6-430, Above Bank Of Baroda First Floor, Beside Hdfc Bank, Hyderabad Road, 503003. **Noida**, 405, 4th Floor, Vishal Chamber, Plot No.1, Sector-18, 201301. **Palghat**, No: 20 & 21, Metro Complex H.P.O. Road Palakkad, H.P.O. Road, 678001. **Panipat**, JAVA Complex, 1st Floor, Above Vijaya Bank,, G T Road, 132103. **Panjim**, Flat No.1-A, H. No. 13/70, Timotio Bldg, Heliodoro Salgado Road, Next to Navhind Bhavan (Market Area), 403001. **Pathankot**, 2nd Floor, Sahni Arcade Complex, Adj. Indira colony Gate Railway Road, Pathankot, 145001. **Patiala**, Sco 27 D,, Chhoti Baradari,, Near Car Bazaar,, 147001. **Patna**, 3A, 3Rd Floor Anand Tower, Exhibition Road, Opp ICICI Bank, 800001. **Pollachi**, 146/4, Ramanathan Building, 1st Floor New Scheme Road, 642002. **Pondicherry**, Building No:7, 1st Floor, Thiagarajar Street, 605001. **Proddatur**, D.No: 4/625, Bhairavi Complex,, Bhairavi Complex, Upstairs Karur Vysya Bank, Gandhi Road, 516360. **Pudukottai**, Sundaram Masilamani Towers, Ts No. 5476 - 5479, Pm Road,, Old Tirumayam Salai, Near Anna Statue, Jublie Arts,, 622001. **Pune**, Mozaic Bldg, CTS No.1216/1, Final, Plot No.576/1 TP, Scheme No.1, F C Road, Bhamburda, 411004. **Raipur**, Office No S-13, Second Floor, Reheja Tower, Fafadih Chowk, Jail Road, 492001. **Rajahmundry**, D.No.6-1-4, Rangachary Street,, T.Nagar, Near Axis Bank Street, 533101. **Rajapalayam**, Sri Ganapathy Complex, 14B/5/18, T P Mills Road,, Virudhungan Dist, 626117. **Rajkot**, 302, Metro Plaza, Near Moti Tanki Chowk, Rajkot, 360001. **Ranchi**, Room No 307 3Rd Floor,, Commerce Tower,, Beside Mahabir Tower, 834001. **Ratlam**, 1 Nagpal Bhawan,, Free Ganj Road, Do Batti, Near Nokia Care,, 457001. **Renukoot**, Radhika Bhavan,, Opp. Padmini Hotel, Murdha, Renukoot, 231217. Rewa, 1st Floor, Angoori Building, Besides Allahabad Bank, Trans University Road, Civil Lines, 485001. **Rohtak**, 1st Floor, Ashoka Plaza,, Delhi Road, 124001. **Roorkee**, Shree Ashadeep Complex, 16, Civil Lines, Near Income Tax Office, 247667. **Rourkela**, 1St Floor Sandhu Complex,, Kachery Road, Uditnagar, 769012. **Sagar**, II floor, Above shiva kanch mandir, 5 civil lines,, Sagar, 470002. **Saharanpur**, 18 Mission Market, Court Road, 247001. **Salem**, NO 3/250,, Brindavan Road, 6th Cross, Perumal kovil back side, Fairland's, 636016. **Sambalpur**, Koshal Builder Complex, Near Goal Bazaar Petrol pump,, 768001. **Satna**, 1st Floor,, Gopal Complex, Near Bus Stand, Rewa Road, 485001. **Shaktinagar**, 1StA-375,, V V Colony, Dist Sonebhadra, 231222. **Shillong**, Annex Mani Bhawan, Lower Thana Road,, Near R K M Lp School, 793001. **Shimla**, Triveni Building, By Pas Chowk hallini, 171002. **Shimoga**, Sri Matra Naika Complex, 1st Floor, Above Shimoga Diagnostic Centre, Lir Road, Durgigudi, 577201. **Shivpuri**, 1St Floor, M.P.R.P. Building,, Near Bank Of India, 473551. **Sikar**, First Floor, Super Tower,, Behind Ram Mandir Near Taparya Bagichi, 332001. **Silchar**, N.N. Dutta Road,, Chowchakra Complex, Premtala, 788001. **Siliguri**, Nanak Complex, Sevoke Road, 734001. **Sitapur**, 12/12-A Sura Complex, Arya Nagar Opp, Mal Godam, 261001. **Sivakasi**, 363, Thiruthangal Road, Opp: TNEB, 626123. **Solan**, Sahni Bhawan, Adjacent Anand Cinema Complex, The Mall, 173212. **Solapur**, Block No. 6, Vaman Nagar, Opp D-Mart, Jule Solapur, 413004. **Sonepat**, 205 R Model Town, Above Central Bank Of India, 131001. **Sri Ganganagar**, 35E Block, Opp: Sheela Mata Vaateka Sri Ganganagar, 335001. **Srikakulam**, D No 4-4-97, First Floor, Behind Sri Vijayaganapathi Temple,, Pedda relli veechi, Palakonda Road, 532001. **Sultanpur**, 1077/3, Civil Lines Opp Bus Stand, Civil Lines, 228001. **Surat**, Office no - 516, 5th Floor, Empire State building, Near Udhna Darwaja, Ring Road, 395002. **Thanjavur**, No. 70, Nalliah Complex, Srinivasam Pillai Road, 613001. **Thodupuzha**, First Floor, Pulimottil Pioneer, Pala Road, 685584. **Tirunelveli**, 55/18, Jeney Building, S N Road, Near Aravind Eye Hospital, 627001. **Tirupathi**, H.No:10-13-425, 1st Floor, Tilak Road, Opp: Sridevi Complex, 517501. **Tirupur**, First floor, 244 A, Above Selvakumar Dept stores, Palladam Road, Opp to Cotton market complex, 641604. **Tiruvalla**, 2Nd Floor, Erinjery Complex, Ramanchira, Opp Axis Bank, 689107. **Trichur**, 2Nd Floor, Brothers Complex, Naikkanal Junction, Shornur Road, Near Dhanalakshmi Bank HO, 680001. **Trichy**, 60, Sri Krishna Arcade, Thennur High Road, 620017. **Trivandrum**, 2Nd Floor, Akshaya Tower, Sasthamangalam, 695010. **Tuticorin**, 4 - B, A34 - A37, Mangalmal Mani Nagar,, Opp. Rajaji Park, Palayamkottai Road, 628003. **Udaipur**, 201-202, Madhav Chambers, Opp G P O,, Chetak Circle,, 313001. **Ujjain**, 101 Aashta Tower, 13/1 Dhanwantri Marg, Freeganj, 456010. **Valsad**, Shop No 2,, Phiroza Corner, Opp Next Show Room, Tithal Road, 396001. **Vapi**, Shop No-12, Ground Floor, Sheetal Appatment, Near K P Tower, 396195. **Varanasi**, D-64/1321St Floor, Anant Complex, Siga, 221010. **Vellore**, No. 6, NEXUS Towers, 2nd Floor, Officer's Line, Above Peter England & Bata Showroom opp. To Voorhees School, 632001. **Vijayanagaram**, Soubhaga, 19-6-1/3, 2Nd Floor, Near Fort Branch, Opp: Three Temples, 535002. **Vijayawada**, 39-10-7, Opp : Municipal Water Tank, Labbipet, 520010. **Visakhapatnam**, Door No: 48-8-7, Dwaraka Diamond, Ground Floor, Srinagar, 530016. **Warangal**, 5-6-95, 1 St Floor, Opp: B.Ed Collage, Lashkar Bazar, Chandra Complex, Hanmakonda, 506001. **Yamuna Nagar**, Jagdhari Road, Above Uco Bank, Near D.A.V. Girls College, 135001.

### Collection Centres of KFin Technologies Private Limited

**Andheri**: 6 & 7, 131 Andheri Industrial Estate-Veera Desai Road, Andheri (west), Mumbai 400 053. **Chembur**: Shop No 4, Ground Floor, Shram Safliya Building, N G Acharya Marg, Chembur, Mumbai 400 071. **Vashi**, A Wing, Shop No. 205, 1st Floor, Vashi Plaza, Sector 17, Near Apna Bazar, Vashi, Mumbai 400073. **Vile Parle**: 104, Sangam Arcade, V P Road, Opp: Railway Station, Above Axis Bank ATM, Vile Parle (west), Mumbai 400 056. **Borivali**: Gomati Smuti, Ground Floor, Jambli Gully, Near Railway Station, Borivali, Mumbai 400 092. **Thane**: Flat No. 201, 2nd Floor, "Matru Chhaya" Blding, Above Rejewel Jewellery Showroom, Opp. Bedekar Hospital, Near Gaodevi Ground, Mumbai 400 602. **Dalhousie**: 2Nd Floor, Room no-226, R N Mukherjee Road, Kolkata 700 001. **T Nagar**: G1, Ground Floor, No 22, Vijayaraghava Road, Swathi Court, T Nagar, Chennai, 600 017. **Secunderabad**: Crystal Plaza 2nd Floor, Manday Lane, Near Sunshine Hospital, P G Road, Secunderabad 500 003. **Adyar**: Gokul Arcade Office No 1, 6th Floor, No 2, Sardar Patel Road (Landmark : Next To Airtel Show Room), Adyar, Chennai, 600 020. **Annanagar**: T 92, Ground Floor, 3rd Avenue Main Road, Annanagar, Chennai 600 040. **Nanganallur**: No 155/7, Ullagaram, Medavakkam Main Road, (Opp to IDBI ATM), Madipakkam, Chennai 600 061. **Malleshwaram**: No.337, GF-3, Karuna Complex, Sampige Road, Opp: New Vegetable Market, Malleshwaram, Bangalore 560 003. **Koramangala**: Aaryaa Center, 1st Floor, Municipal No: 01, MIG KHB colony, 1 A cross, 5th block, opp: Post Office, Koramangala, Bangalore 560 095. **Gomtinagar**: B-1/2, Vijay Khand, Near Union Bank Of India,, Gomti Nagar, Lucknow 226 010. **Aliganj**: Hig-67, Sector E - Aliganj, Lucknow 226 024. **Alambagh**: KSM Tower, Cp-1 Sinder Dumb, Near Alambagh Bus Station, Alambagh, Lucknow 226 005. **Hyderabad**: (Gachibowli), KARVY Selenium, Plot No: 31 & 32, Tower B, Survey No.115/22, 115/24, 115/25, Financial District, Gachibowli, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.