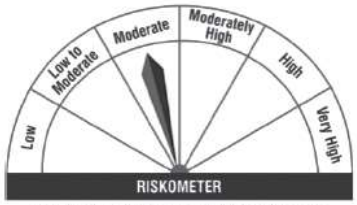
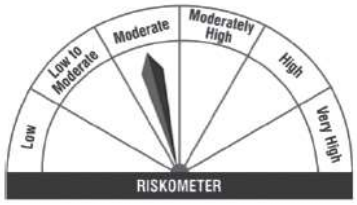
SCHEME INFORMATION DOCUMENT

SECTION I

ICICI PRUDENTIAL GILT FUND

(An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.)

ICICI Prudential Gilt Fund (the Scheme) is suitable for investors who are seeking*:	**Scheme Riskometer**	**Benchmark of the Scheme as per AMFI Tier 1 benchmark (NIFTY All Duration G-Sec Index)**
• Long term wealth creation • A Gilt scheme that aims to generate income through investment in Gilts of various maturities.	 Investors understand that their Principal will be at Moderate Risk	 The riskometer of the benchmark is at moderate risk

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

#It may be noted that risk-o-meter specified above for the Scheme is based on the scheme's monthly portfolio as on May 31, 2024. For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Mutual Fund. The same shall be updated on ongoing basis in accordance with paragraph 17.4 of the Master Circular.

The potential risk class matrix based on interest rate risk and credit risk, is as below:

Potential Risk Class			
Credit Risk→ Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

For Continuous offer for units at NAV based prices:
Face Value of units of ICICI Prudential Gilt Fund is Rs. 10/- per unit.

Name of Mutual Fund	ICICI Prudential Mutual Fund
Name of Asset Management Company	ICICI Prudential Asset Management Company Limited (**Corporate Identity Number:** U99999DL1993PLC054135)
Address of the Asset Management Company	**Registered Office:** 12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi – 110 001
	Corporate Office: One BKC, A Wing, 13th Floor, Bandra Kurla Complex, Mumbai 400051
	Central Service Office: 2nd Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Goregaon (East), Mumbai - 400 063
Name of the Trustee Company	ICICI Prudential Trust Limited (**Corporate Identity Number:** U74899DL1993PLC054134)
Website	www.icicipruamc.com

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

This Scheme Information Document sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes pertaining to the Scheme such as features, load structure, etc. made to this Scheme Information Document by issue of addenda / notice after the date of this Document from the AMC / Mutual Fund / Investor Service Centers / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of ICICI Prudential Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.icicipruamc.com

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

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

This Scheme Information Document is dated June 19, 2024.

ICICI Prudential Gilt Fund – Investment Plan – PF option, ICICI Prudential Gilt Fund – Treasury Plan – PF option and ICICI Prudential Short Term Gilt Fund (the Merging

schemes) have been merged into ICICI Prudential Gilt Fund (surviving scheme) after the close of business hours on May 25, 2018.

The benchmark of the Scheme has been changed from CRISIL Dynamic Gilt Index to NIFTY All Duration G-Sec Index with effect from March 12, 2024.

Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the Scheme**	ICICI Prudential Gilt Fund
II.	**Category of Scheme**	Debt schemes - Gilt Fund
III.	**Scheme Type**	An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.
IV.	**Scheme Code**	ICIC/O/D/GIL/99/07/0012
V.	**Investment Objectives**	To generate income primarily through investment in Gilts of various maturities. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
VI.	**Liquidity/Listing Details**	The Scheme being offered is an open ended scheme and will offer units for sale / switch-in and redemption / switch-out, on every business day at NAV based prices subject to applicable loads. As per the Regulations the Mutual Fund shall dispatch redemption proceeds within 3 business days from the date of redemption request subject to exceptional situations and additional timelines for redemption payments provided by AMFI vide its letter no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023". A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within the stipulated timelines.
VII.	**Benchmark (Total Return Index)**	AMFI Tier I Benchmark - NIFTY All Duration G-Sec Index The composition of the benchmark is such that, it is most suited for comparing performance of the Scheme of ICICI Prudential Mutual Fund. The Trustees reserves the right to change the benchmark in future, if a benchmark better suited to the investment objective of the Scheme is available.
VIII.	**NAV Disclosure**	The NAV will be calculated and disclosed at the close of every Business Day. NAV will be determined on every Business Day except in special circumstances. The AMC may at its discretion also declare NAV of the Scheme on any other day in the interest of investors. NAV of the scheme shall be: • Prominently disclosed by the AMC under a separate head on the AMC's website (www.icicipruamc.com) by 11.00 p.m. on every business day, • On the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 11.00 p.m. on every business day, and

<table>
<tr><td></td><td></td><td>

- Shall be made available at all Customer Service Centres of the AMC.

Further details mentioned in Section II – 'III. Other Details' – 'C. Transparency/NAV'
</td></tr>
<tr><td>IX.</td><td>Applicable timelines</td><td>

- **Dispatch of redemption proceeds**

As per the Regulations, the Fund shall dispatch redemption proceeds within 3 business Days of receiving the redemption request subject to exceptional situations and additional timelines for redemption payments provided by AMFI vide its letter no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023". A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within the stipulated timelines. Please refer to section 'Redemption' for details.

- **Dispatch of IDCW (if applicable) etc.**

As per the Regulations, the Fund shall dispatch to the Unit Holders, IDCW warrants within 7 business days from the record date. IDCW will be payable to those Unit Holders whose names appear in the Register of Unit Holders on the date (Record Date).
</td></tr>
<tr><td>X.</td><td>Plans / Options

Plans/Options and sub options under the Scheme</td><td>
<table>
<tr><td>Plans</td><td>• ICICI Prudential Gilt Fund - Regular Plan
• ICICI Prudential Gilt Fund – Direct Plan</td></tr>
<tr><td>Default Plan (if no plan is selected)</td><td>• If broker code is not mentioned the default plan is ICICI Prudential Gilt Fund – Direct Plan
• If broker code is mentioned the default plan is ICICI Prudential Gilt Fund – Regular Plan</td></tr>
<tr><td>Default Plan (in certain circumstances)</td><td>• If ICICI Prudential Gilt Fund – Direct Plan is opted, but ARN code is also stated, then application would be processed under ICICI Prudential Gilt Fund – Direct Plan
• If ICICI Prudential Gilt Fund is opted, but ARN code is not stated, then the application would be processed under ICICI Prudential Gilt Fund – Direct Plan</td></tr>
<tr><td>Options/ sub-options</td><td>• Growth Option and
• IDCW
➢ IDCW Payout
➢ IDCW Reinvestment
– Weekly, Quarterly and Annual Frequency</td></tr>
<tr><td>Default Option</td><td>Growth Option</td></tr>
<tr><td>Default sub-</td><td>IDCW Reinvestment</td></tr>
</table>
</td></tr>
</table>

		option |
		In case neither distributor code is mentioned nor 'ICICI Prudential Gilt Fund - Direct Plan' is selected in the application form, the application will be processed under the 'ICICI Prudential Gilt Fund - Direct Plan'. ICICI Prudential Gilt Fund - Direct Plan is only for investors who purchase /subscribe units in a Scheme directly with the Fund. For details with respect to AMFI Best Practices Guidelines dated February 2, 2024 on treatment of applications received with invalid ARNs or ARNs subsequently found to be invalid, investors are requested to refer to the relevant provisions of the SAI. The Trustee reserves the right to add any other options/ sub-options under the Scheme. The Trustee reserves the right to declare IDCW under the Scheme depending on the distributable surplus available under the Scheme. It should, however, be noted that actual distribution of IDCW and the frequency of distribution will depend, inter-alia, on the availability of distributable surplus and will be entirely at the discretion of the Trustee. For detailed disclosure on default plans and options, kindly refer SAI.
XI.	**Loads**	**No Entry Load shall be charged** In terms of paragraph 10.4.1 (a) of the Master Circular, SEBI has notified that there will be no entry load charged to the schemes of the Fund. **Exit Load:** Nil The Trustees shall have a right to prescribe or modify the exit load structure with prospective effect subject to a maximum prescribed under the Regulations. The AMC shall not charge entry and/or exit load on units allotted on reinvestment of IDCW.
XII.	**Minimum Application Amount/switch in**	Rs. 5,000/- (plus in multiples of Re.1/-) Minimum application amount for switch ins – Rs. 5,000 and any amount thereafter
XIII.	**Minimum Additional Purchase Amount/ switch in**	Rs. 5,000/- and in multiples thereof Minimum additional application amount for switch ins – Rs. 5,000 and any amount thereafter
XIV.	**Minimum redemption amount**	Any amount
XV.	**Segregated Portfolio/side pocketing disclosure**	Not Applicable
XVI.	**Stock lending/short selling**	The Scheme will not engage in short selling or stock lending

		and borrowing.
XVII.	**Swing pricing disclosure**	In terms of paragraph 4.10 of Master Circular, all open ended debt mutual fund schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds) are required to comply with Swing Pricing Framework as applicable. Accordingly, these provisions shall be applicable to the Scheme. For more details, kindly refer SAI
XVIII.	**How to apply and other details**	Please refer to the SAI for detailed process (physical and online) with respect to additional/ongoing purchase, Investments by NRIs (Non-Resident Indian), FPIs (Foreign Portfolio Investors) and Foreign Investors, Joint Applications etc. Investors can also read further details in the application form available on the AMC website under Downloads -> Forms The applications for subscription/redemption/switches can be submitted at official points of acceptance of the AMC and CAMS Transaction Points provided in the link www.icicipruamc.com Investors can also subscribe and redeem units from the official website of AMC i.e. www.icicipruamc.com, IPRUTOUCH mobile application and MF Central platform. Kindly refer to aforementioned link for complete details.
XIX.	**Investor Services**	**Contact details for general service requests and complaint resolution:** Investors can contact at the below toll free numbers • (MTNL/BSNL) 1800222999; • (Others) 18002006666 • Website: www.icicipruamc.com • e-mail - enquiry@icicipruamc.com The Fund will follow-up with Customer Service Centres and Registrar on complaints and enquiries received from investors for resolving them promptly. For this purpose, Mr. Rajen Kotak is the Investor Relations Officer. He can be contacted at the Central Service Office of the AMC. The address and phone numbers are: 2nd Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Goregaon (East), Mumbai – 400 063, Tel No.: 022 26852000, Fax No.: 022-2686 8313 e-mail - enquiry@icicipruamc.com
XX.	**Specific Attribute of the**	Open Ended – Debt Scheme – Gilt Fund

	Scheme	
XXI.	**Special product/facility available on ongoing basis**	• **Systematic Investment Plan:** The Unitholders of the Scheme can benefit by investing specific Rupee amounts periodically, for a continuous period. At the time of registration, the SIP allows the investors to invest a fixed equal amount of Rupees for purchasing additional Units of the Scheme at NAV based prices. **Daily, Weekly, Fortnightly and Monthly SIP[$]:** Rs. 1,000/- (plus in multiple of Re. 1/-) Minimum installments: 6 **Quarterly SIP[$]:** Rs. 5,000/- (plus in multiple of Re. 1/-) Minimum installments – 4 [$] The applicability of the minimum amount of transfer mentioned are at the time of registration only. • **Systematic Transfer Plan** Systematic Transfer Plan (STP) is an option wherein Unit holders of designated schemes (Source Schemes) can opt to transfer a fixed amount at regular intervals and provide standing instructions to the AMC to switch the same into the designated schemes (Target Schemes). • **Systematic Withdrawal Plan** Unitholders of the Scheme have the benefit of enrolling themselves in the Systematic Withdrawal Plan. The SWP allows the Unitholder to withdraw a specified sum of money each month from his investments in the Scheme. At the time of registration the investor can choose any amount for withdrawal under the respective frequencies. • **Booster STP** The Scheme is a source scheme under Booster STP and Booster SIP. • **Flex STP** The AMC has introduced ICICI Prudential Flex Systematic Transfer Plan (Flex STP). Under this facility unit holder(s) can opt to transfer variable amount(s) linked to value of investments under Flex STP on the date of transfer at pre-determined intervals from designated source Scheme(s) [referred to as Transferor Scheme(s)] to the Growth option of designated target Scheme(s) [referred to as Transferee Scheme(s)]. • **Capital Appreciation STP**

		Under this facility the appreciation in NAV, if any, from the growth option of the source schemes will be switched to the growth option of the target schemes. This scheme is a source scheme for the given facility. Investors may note that there is no restriction on the minimum balance in the folio to avail the facility. Frequency – Daily, Weekly and Monthly. The criteria for minimum application amount/minimum additional application amount in case of Target Schemes and minimum redemption amount in case of Source Schemes shall not be applicable to investors opting for this facility. For details on SIP Cancellation and SIP Pause, please refer to Statement of Additional Information (SIP) for more details.
XXII.	**Weblink**	A weblink wherein TER for last 6 months, Daily TER as well as scheme factsheet is available on the website at: TER Link: Total Expense Ratio of Mutual Fund Schemes (icicipruamc.com) Factsheet link: Downloads - Application Forms, SID, KIM, SAI & Others | ICICI Prudential Mutual Fund (icicipruamc.com)
XXIII.	**LIQUIDITY SUPPORT FROM RBI FOR GILT FUND**	Being a Scheme dedicated exclusively to investments in Government securities, ICICI Prudential Mutual Fund will be eligible to avail on any day from RBI liquidity support up to 20% of the outstanding value of its investments in Government securities (as at the close of business on the previous working day), under its Guidelines issued vide letter IDMC. No.2741/03.01.00/95-96 dated April 20, 1996. Liquidity support under these guidelines is available through reverse repurchase agreements in eligible Central Government dated securities and Treasury Bills of all maturities, on requisite application made to RBI.
The AMC reserves the right to change/ modify any features of aforesaid facilities, available under the Scheme, subject to SEBI Regulations and any other laws applicable from time to time..		

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

(i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

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

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

(iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

(v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct.

(vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Document and ~~other than cited deviations/~~ that there are no deviations from the regulations.

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

(viii) The Trustees have ensured that the Scheme approved by them is a new product offered by ICICI Prudential Mutual Fund and not a minor modification of any existing schemes.

Sd/-
Rakesh Shetty
Compliance Officer

Place: Mumbai
Date: June 12, 2024

Note: The Due Diligence Certificate dated June 12, 2024, was submitted to SEBI.

SECTION II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

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

Instrument	Indicative allocation (% of total assets)	
	Minimum	Maximum
Government Securities across maturity	80%	100%
Other Debt Securities and Money Market Instruments	0%	20%

The Margin may be placed in the form of such securities / instruments / deposits as may be permitted/eligible to be placed as margin from the assets of the Scheme. The securities / instruments / deposits so placed as margin shall be classified under the applicable category of assets for the purposes of asset allocation.

The Cumulative Gross Exposure across Government Securities, Debt and Money Market Instruments, Derivatives and such other securities/assets as may be permitted by SEBI should not exceed 100% of the net assets of the scheme.

Exposure to various instruments will be as per the indicative table given below: (Below percentages shall be subject to applicable SEBI circulars):

Sr No.	Type of Instrument	% of exposure	Circular References
1.	Securitized Debt	Up to 20% of net assets in other debt and money market instruments	Paragraph 12.11 of the Master Circular
2	Derivatives	Upto 100 % of the net assets	Paragraph 12.25 of the Master Circular
2(a)	Equity Derivatives for hedging purpose	-	
2(b)	Equity Derivatives for non-hedging purpose	-	
2(c)	Debt Derivatives for hedging/non hedging purpose	Upto 100 % of the net assets	

Rebalancing due to Short Term Defensive Consideration:

- Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations as per Para 1.14.1.2.b of SEBI Master Circular on Mutual Funds dated May 19, 2023, and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation.

Rebalancing due to Passive Breaches:

- Further, as per Para 2.9 of SEBI Master Circular on Mutual Funds dated May 19, 2023, as may be amended from time to time, in the event of deviation from mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager shall rebalance the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to sixty (60) Business Days from the date of completion of mandated rebalancing period. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in Para 2.9 of the Master Circular.

The securities mentioned in the asset allocation pattern could be listed, unlisted, privately placed, secured or unsecured, rated or unrated and of any maturity. The securities may be acquired through secondary market purchases, Initial Public Offering (IPO), other public offers, Private Placement, right offers (including renunciation) and negotiated deals.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. AMFI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

Apart from the above investment restrictions, the scheme may follow certain internal norms vis-à-vis limiting exposure to scrips, sectors etc., within the above mentioned restrictions, and these are subject to review from time to time.

The Scheme will not take exposure to the following instruments (Negative List):

Sr. No.	Instrument
1.	Foreign Securities
2.	Short selling
3.	Securities lending

Change in Investment Pattern

Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and defensive considerations.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 subject to compliance with sub-regulation (26) of regulation 25 of the SEBI (MF) Regulations, as detailed later in this

document.

B. WHERE WILL THE SCHEME INVEST?

The Scheme aims at generating returns commensurate with zero credit risk by investing in securities created and issued by the Central Government and/or a State Government and/or repos/ reverse repos in such government securities as may be permitted by RBI. The Scheme may also invest a portion of the corpus in the call money market, TREPS or in an alternative money market instruments as may be provided by the RBI to meet the liquidity requirements. The Scheme will not invest in any other securities such as shares and/or debentures or in bonds issued by any other entity other than Central or State Government. The Fund will seek to underwrite issuance of Government Securities subject to the prevailing rules and regulations as may be specified by SEBI/ RBI in this respect and may also participate in the auction of Government securities from time to time. The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. Such investment shall be made subject to the guidelines which may be prescribed.

The inter Scheme transfer of investments and Investment limits for investing in HFCs shall be in accordance with the provisions contained in Statement of Additional Information. The AMC shall comply with the guidelines as stated in paragraph 12.30 and 12.9 of the master circular for inter Scheme transfer and Prudential limits in sector exposure for Housing Finance Companies, respectively.

C. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme shall follow an active investment strategy. The scheme aims to identify securities which offer optimal level of yields/returns, considering risk reward ratio. The scheme will have minimum investment of 80% of total assets in government securities across maturity and balance amount can be invested in other debt and money market instruments. Money Market securities include cash and cash equivalents.

The Scheme could invest in fixed income securities issued by central and state government in line with the investment objectives of the Scheme and as permitted by SEBI from time to time.

With the aim of controlling risks, rigorous in depth credit evaluation of the debt and money market securities proposed to be invested in will be carried out by the Risk Management team of the AMC. The credit evaluation includes a study of the operating environment of the company, the past track record as well as the future prospects of the issuer, the short as well as longer-term financial health of the issuer.

The AMC may consider the ratings of such Rating Agencies as approved by SEBI to carry out the functioning of rating agencies. In addition, the investment team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.

Further, the Scheme may invest in other schemes managed by the AMC or in the Schemes of any other Mutual Funds, provided it is in conformity with the prevailing Regulations.

As per the Regulations, no investment management fees will be charged for such investments.

The Scheme may use derivative instruments like Interest Rate Swaps, Interest Rate Futures, Forward Rate Agreements or other derivative instruments for the purpose of hedging, portfolio balancing and other purposes, as permitted under the Regulations. Hedging using Interest Rate Futures could be perfect or imperfect, subject to applicable regulations. Usage of derivatives may expose the Scheme to certain risks inherent to such derivatives. It may also invest in securitized debt.

For the present, the Scheme does not intend to enter into underwriting obligations. However, if the Scheme does enter into an underwriting agreement, it would do so with the prior approval of the Board of the AMC/Trustees.

The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. Such investment shall be made subject to the guidelines which may be prescribed.

The scheme may follow certain in-house model. The model may be developed in order to manage the scheme and to help the scheme attains its investment objective. These models are based on various broad market parameters prevalent in the market and are dynamic in nature.

For complete details on 'Derivative Strategies' kindly refer to SAI.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

Benchmark of the Scheme is NIFTY All Duration G-Sec Index.

The composition of the benchmark is such that, it is most suited for comparing performance of the Scheme. The Trustees reserves the right to change the benchmark in future, if a benchmark better suited to the investment objective of the Scheme is available.

E. WHO MANAGES THE SCHEME?

Mr. Manish Banthia and Mr. Raunak Surana are the Fund Managers of the Scheme. As on May 31, 2024, Mr. Manish Banthia and Mr. Raunak Surana have been managing this Scheme for tenure of 4 months, since January 2024.

Fund Manager/ Age/ Qualification	Experience	Other Schemes managed
Mr. Manish Banthia/43/ B.Com, CA, MBA	He is associated with ICICI Prudential Asset Management Company Limited since October 2005. He has an overall work experience of around 17 years. Past Experience:	• ICICI Prudential Debt Management Fund (FOF) • ICICI Prudential Asset Allocator Fund (FOF) • ICICI Prudential Thematic Advantage Fund (FOF) • ICICI Prudential Balanced Advantage Fund • ICICI Prudential Equity &

Fund Manager/ Age/ Qualification	Experience	Other Schemes managed
	~ ICICI Prudential Asset Management Company Limited - Fixed Income Investments - August 2007 to October 2009. ~ ICICI Prudential Asset Management Company Limited - New Product Development - October 2005 to July 2007. ~ Aditya Birla Nuvo Ltd. – June 2005 to October 2005. ~ Aditya Birla Management Corporation Ltd. – May 2004 to May 2005.	Debt Fund • ICICI Prudential Constant Maturity Gilt Fund • ICICI Prudential Medium Term Bond Fund • ICICI Prudential Multi-Asset Fund • ICICI Prudential Equity Savings Fund • ICICI Prudential Bond Fund • ICICI Prudential Gilt Fund • ICICI Prudential All Seasons Bond Fund • ICICI Prudential Regular Savings Fund • ICICI Prudential Ultra Short Term Fund • ICICI Prudential Regular Gold Savings Fund (FOF) • ICICI Prudential Credit Risk Fund • ICICI Prudential Short Term Fund • ICICI Prudential Corporate Bond Fund • ICICI Prudential Business Cycle Fund • ICICI Prudential Passive Multi-Asset Fund of Funds • ICICI Prudential Silver ETF Fund of Funds • ICICI Prudential Income Optimizer Fund (FOF) • ICICI Prudential Long Term Bond Fund • ICICI Prudential Money Market Fund
Mr. Raunak Surana/26/ Chartered Accountant and Chartered Financial Analyst (CFA)	Mr. Raunak Surana has been appointed in Debt Dealing team of ICICI Prudential Asset Management Company Limited w.e.f. June 13, 2022. Past Experience: ~ ICICI Prudential Asset Management Company Limited – Support to	• ICICI Prudential Constant Maturity Gilt Fund • ICICI Prudential Gilt Fund • ICICI Prudential Long Term Bond Fund

Fund Manager/ Age/ Qualification	Experience	Other Schemes managed
	dealing and fund management team – June 2021 to June 2022.	

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

As on May 31, 2024 the Fund has following schemes under the Debt category:

Sr.No	Scheme Names
1.	ICICI Prudential Long Term Bond Fund
2.	ICICI Prudential Gilt Fund
3.	ICICI Prudential Ultra Short Term Fund
4.	ICICI Prudential Corporate Bond Fund
5.	ICICI Prudential Floating Interest Fund
6.	ICICI Prudential Medium Term Bond Fund
7.	ICICI Prudential Overnight Fund
8.	ICICI Prudential Savings Fund
9.	ICICI Prudential Credit Risk Fund
10.	ICICI Prudential Banking & PSU Debt Fund
11.	ICICI Prudential Constant Maturity Gilt Fund
12.	ICICI Prudential All Seasons Bond Fund
13.	ICICI Prudential Money Market Fund
14.	ICICI Prudential Bond Fund
15.	ICICI Prudential Liquid Fund
16.	ICICI Prudential Short Term Fund

A detailed comparison between the existing schemes of the mutual fund is available at the below link:

SID related information (icicipruamc.com)

G. HOW HAS THE SCHEME PERFORMED?

Compounded Annualised Returns (in %) of the Scheme (Growth Option) and its benchmark as on May 31, 2024:

Scheme/ Index Name	Inception Date^	1 Year	3 Years	5 Years	Since Inception
ICICI Prudential Gilt Fund	19-Aug-99	7.68	6.08	7.63	9.27
NIFTY All Duration G-Sec (Benchmark)		6.79	5.50	6.88	8.66

Performance of the scheme is benchmarked to total return variant of the index.

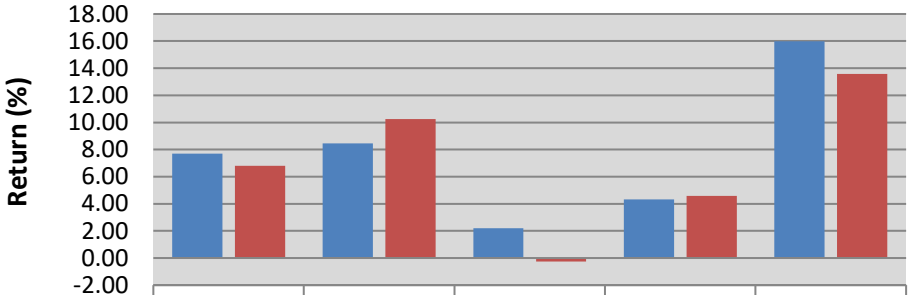
Past performance may or may not be sustained in the future and the same may not necessarily provide the basis for comparison with other investment. The returns are

calculated on the basis of Compounded Annualized Growth returns (CAGR). For computation of since inception returns the allotment NAV has been taken as Rs. 10.

^ Inception date shown is the date from which units under the Schemes are available throughout.

The benchmark of the Scheme has been changed from CRISIL Dynamic Gilt Index to NIFTY All Duration G-Sec Index with effect from March 12, 2024.

Absolute returns of the Scheme (Growth Option) for the last five financial years:



	FY 23-24	FY 22-23	FY 21-22	FY 20-21	FY 19-20
ICICI Prudential Gilt Fund	7.70	8.46	2.20	4.33	15.98
NIFTY All Duration G-Sec Index	6.81	10.26	-0.26	4.57	13.57

Performance of the scheme is benchmarked to total return variant of the index.

Past performance may or may not be sustained in future. Absolute returns are provided for the above mentioned financial years. For computation of returns the allotment NAV has been taken as Rs. 10. NAV is considered for computation of returns without considering load.

With effect from after the close of business hours on May 25, 2018, ICICI Prudential Long Term Gilt Fund has undergone change in fundamental attributes and has been renamed as ICICI Prudential Gilt Fund. Further, ICICI Prudential Short Term Gilt Fund, ICICI Prudential Gilt Fund – Investment Plan – PF Option, ICICI Prudential Gilt Fund – Treasury Plan PF Option (Merging Schemes) has merged into ICICI Prudential Gilt Fund (Surviving Scheme) with effect from close of business hours on May 25, 2018. The performance disclosed hereunder is the weighted average performance all these schemes. Performance of the merging schemes shall be made available to investors on request. The benchmark of the Scheme has been changed from CRISIL Dynamic Gilt Index to NIFTY All Duration G-Sec Index with effect from March 12, 2024.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. SCHEME'S PORTFOLIO HOLDINGS

The top 10 holdings by the Scheme and allocation towards various sectors can be accessed at the below link:

SID related information (icicipruamc.com)

ii. DISCLOSURE OF NAME AND EXPOSURE TO TOP 7 ISSUERS, STOCKS, GROUPS AND SECTORS AS A PERCENTAGE OF NAV OF THE SCHEME IN CASE OF DEBT AND EQUITY ETFS/INDEX FUNDS THROUGH A FUNCTIONAL WEBSITE LINK THAT CONTAINS DETAILED DESCRIPTION –

Not Applicable

iii. PORTFOLIO DISCLOSURE

Investors can also obtain Scheme's latest fortnightly/monthly/half yearly portfolio holding from the website of AMC i.e.

http://www.icicipruamc.com/Downloads/MonthlyPortfolioDisclosure.aspx

iv. SCHEME's PORTFOLIO TURNOVER RATIO: not applicable

v. Aggregate investment in the Scheme by:

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
A.	Scheme's Fund Manager(s)	Units	NAV per unit	
1.	Manish Banthia	617.31	100.4664	62,018.41
2.	Raunak Surana	1,311.40	100.4664	1,31,751.34

For any other disclosure with respect to investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.

vi. INVESTMENT OF THE AMC IN THE SCHEME

From time to time and subject to the SEBI (Mutual Funds) Regulations, 1996, the sponsors, the mutual funds and investment Companies managed by them, their associate companies, subsidiaries of the sponsors and the AMC may invest in either directly or indirectly in the Scheme. The funds managed by associates and/ or the AMC may acquire a substantial portion of the Scheme. Accordingly, redemption of units held by such funds, associates and sponsors may have an adverse impact on the units of the Scheme because the timing of such redemption may impact the ability of other unit holders to redeem their units.

The details of such investments can be accessed at the following link:

Statutory Disclosure (icicipruamc.com)

PART III. OTHER DETAILS

A. COMPUTATION OF NAV

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time and as stipulated in the Valuation Policy and Procedures of the Fund, provided in SAI.

The NAV of the Scheme shall be rounded off up to four decimals.

NAV of units under the Scheme shall be calculated as shown below:

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

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

For further details, such as policies with respect to computation of NAV, rounding off, valuation of investment in foreign securities, procedure in case of delay in disclosure of NAV etc, please refer to SAI.

Illustration on computation of NAV:

If the net assets of the Scheme are Rs.10,45,34345.34 and units outstanding are 10,000,000, then the NAV per unit will be computed as follows:

10,45,34,345.34 / 10,000,000 = Rs. 10.4534 p.u. (rounded off to four decimals)

B. NEW FUND OFFER (NFO) EXPENSE - Not Applicable

C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that the following percentage of the daily net assets of the Scheme will be charged to the Scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund. In case of any change in the expense ratio, the Mutual Fund. The mutual fund would update the current expense ratios would update the same on the website at least three working days prior to the effective date of the change. The requirement for disclosing such change would be subject to paragraph 10.1.8 of the Master Circular. Investor can refer Total Expense Ratio of Mutual Fund Schemes (icicipruamc.com) for Total Expense Ratio (TER) details.

Annual Scheme Recurring Expenses:

Particulars	**ICICI Prudential Gilt Fund % per annum of net assets**
Investment Management and Advisory Fees	Up to 2.00
Trustee Fees	
Audit Fees	
Custodian Fees	
Registrar & Transfer Agent Fees	
Marketing & Selling Expenses including Agents Commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW 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 Respectively	
Goods and Services tax on expenses other than investment and advisory fees	
Goods and Services tax on brokerage and transaction cost	
Other Expenses$*	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	Up to 2.00
Additional expenses under regulation 52 (6A) (c)* (more specifically elaborated below)	Up to 0.05
Additional expenses for gross new inflows from specified cities* (more specifically elaborated below)	Up to 0.30
The aforesaid does not include Goods and Services tax on investment management and advisory fees. The same is more specifically elaborated below.	

The returns of the Direct Plan for the Scheme shall be exclusive of distributor commission.

*As permitted under the Regulation 52 of SEBI (MF) Regulations, 1996 and pursuant to paragraph 15.10.1 of the Master Circular, SEBI (Mutual Funds) Second Amendment Regulations, 2012 and SEBI (Mutual Funds) (Fourth Amendment) Regulations 2018.

$ Listing expenses are part of other expenses, wherever applicable.

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme will bear.

ICICI Prudential Gilt Fund-Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. as compared to ICICI Prudential Gilt Fund and no commission for distribution of Units will be paid/ charged under ICICI Prudential Gilt Fund-Direct Plan.

All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in other than Direct Plan.

The Scheme can charge expenses within overall maximum limits prescribed under SEBI (MF) Regulations, without any internal cap allocated to any of the expense heads specified in the above table.

Types of expenses charged shall be as per the SEBI (Mutual Fund) Regulation, 1996.

As per the Regulations, the maximum recurring expenses that can be charged to debt Schemes shall be subject to a percentage limit of daily net assets as in the table below:

First Rs.500 Crore	**Next Rs.250 Crores**	**Next Rs.1250 Crores**	**Next Rs.3000 Crores**	**Next Rs.5000 Crores**	**Next Rs.40000 Crores**	**On balance of the assets**
2.00%	1.75%	1.5%	1.35%	1.25%	Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof	0.80%

The above excludes additional expenses that can be charged towards: i) 30 bps for gross new inflows from retail investors from B30 cities and ii) Goods and Services tax on investment management and advisory fees. The same is more specifically elaborated below.

Pursuant to paragraph 15.10.1 of the Master Circular and SEBI (Mutual Funds) Second Amendment Regulations, 2012, and SEBI (Mutual Funds) (Fourth Amendment) Regulations 2018 following additional costs or expenses may be charged to the scheme, namely:

(i) The AMC may charge Goods and Services tax on investment and advisory fees to the Scheme of the Fund in addition to the maximum limit of total expenses ratio as prescribed in Regulation 52 of the Regulations, whereas Goods and Services tax on other than

investment and advisory fees, if any, shall be borne by the Scheme within the maximum limit as per regulation 52 of the Regulations.

(ii) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from retail investors from B30 cities as specified by the Securities and Exchange Board of India, from time to time are at least –

- 30 per cent of the gross new inflows from retail investors from B30 cities into the scheme, or;
- 15 per cent of the average assets under management (year to date) of the scheme,

whichever is higher;

Provided that if inflows from retail investors from B30 cities are less than the higher of the above, such expenses on daily net assets of the scheme shall be charged on proportionate basis;

Provided further that expenses charged under this paragraph shall be utilised for distribution expenses incurred for bringing inflows from retail investors from B30 cities;

Provided further that amount incurred as expense on account of inflows from retail investors from B30 cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

For the above purposes, 'B30 cities' shall be beyond Top 30 cities as at the end of the previous financial year as communicated by AMFI. For above purposes, retail investors would mean individual investors from whom inflows into the Scheme amount upto Rs. 2,00,000/- per transaction.

Note: SEBI vide its letter no. SEBI/HO/IMD-SEC-3/P/OW/2023/5823/1 dated February 24, 2023 and AMFI letter dated No. 35P/ MEM-COR/ 85-a/ 2022-23 dated March 02, 2023 has directed AMCs to keep B-30 incentive structure in abeyance with effect from March 01, 2023 till further notice.

At least 2 basis points on daily net assets shall be annually set apart for investor education and awareness initiatives. The same shall be within limits specified under Regulation 52 of the SEBI (Mutual Funds) Regulation.

Any payment towards brokerage and transaction cost, upto 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Goods and Services Tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under regulation 52 of the Regulations.

Expenses shall be charged / borne in accordance with the Regulations prevailing from time to time.

The following is an illustration of the impact of expense ratio on the scheme's returns:

Particulars	Regular Plan	Direct Plan
Amount Invested at the beginning of the year	10,000	10,000
Returns before Expenses	1,500	1,500
Expenses other than Distribution Expenses	150	150
Distribution Expenses	50	-
Returns after Expenses at the end of the Year	1300	1350

For calculating expense of ICICI Prudential Gilt Fund - Direct Plan, brokerage component will not be considered.

D. LOAD STRUCTURE

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

Type of Load	Load chargeable (as % of NAV)
Exit Load **(No Entry Load shall be charged)**	NIL

Any redemption/switch arising out of excess holding by an investor beyond 25% of the net assets of the Scheme in the manner envisaged paragraph 6.11.1.1 (b) of the Master Circular, such redemption / switch will not be subject to exit load.

The exit load charged, if any, shall be credited back to the respective scheme. Goods and Services tax on exit load shall be paid out of the exit load proceeds and exit load net of Goods and Services tax shall be credited to the Scheme.

Exit Load, if any, prevailing on the date of enrolment of SIP/STP shall be levied in the Scheme.

Units issued on reinvestment of IDCW shall not be subject to exit load.

The investor is requested to check the prevailing load structure of the Scheme before investing.

Subject to the Regulations, the Trustee reserves the right to modify/alter the load structure on the Units subscribed/redeemed on any Business Day. At the time of changing the load structure, the AMC / Mutual Fund may adopt the following procedure:

i. The addendum detailing the changes will be attached to Scheme Information Documents and key information memorandum. The addendum will be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Documents and Key Information Memorandums already in stock.
ii. Arrangements will be made to display the addendum in the Scheme Information

Document in the form of a notice in all the investor service centres and distributors/brokers office.

iii. The introduction of the exit load along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load.

iv. A public notice shall be provided on the website of the AMC in respect of such changes.

Any imposition or enhancement in the load shall be applicable on prospective investments only.

SECTION II

I. Introduction

A. Definitions

Definition for the words and expressions used in the SID are available at the following link:

SID related information (icicipruamc.com)

The words and expressions shall have the meaning as specified at the above link, unless the context otherwise requires.

A. Risk Factors

I. Standard Risk Factors: Please refer to SAI

II. Scheme specific risk factors

➢ **Risk related to Fixed income securities**

- **Market Risk/Interest Rate Risk:** The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.

- **Liquidity Risk:** Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme(s) and may lead to the Scheme(s) incurring losses till the security is finally sold.

- **Credit Risk:** Investments in Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.

- **Price Risk:** Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the 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. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.

- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate

at which interim cash flows can be reinvested may be lower than that originally assumed.

- **Regulatory Risk:** Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the Scheme.

- **Risks associated with investment in unlisted securities:** Except for any security of an associate or group company, the scheme can invest in securities which are not listed on a stock exchange ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Scheme will realise their investments in unlisted securities at a fair value. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.

- **Settlement risk:** The inability of the Schemes to make intended securities purchases due to settlement problems could cause the Schemes to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Schemes' portfolio due to the extraneous factors that may impact liquidity would result, at times.

- Different types of fixed income securities in which the Scheme(s) would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme(s) risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities.

- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.

- As zero coupon securities does not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.

- The Scheme(s) at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

- Scheme's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.

➢ **Risks associated with investment in Foreign securities**

The Scheme will not have any exposure in Foreign securities.

- **Risk factors associated with investing in Derivatives**

1. The Schemes may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument but also of the derivative itself. Other risks include the risk of mis-pricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

2. The Scheme may use derivatives instruments like Interest Rate Swaps, Forward Rate Agreements or other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Schemes to certain risks inherent to such derivatives.

3. 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.

4. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

5. 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.

6. The specific risk factors arising out of a derivative strategy used by the Fund Manager may be as below:

   - The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
   - Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place
   - Basis Risk: This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying asset being hedged
   - Exchanges could raise the initial margin, variation margin or other forms of margin on derivative contracts, impose one sided margins or insist that margins be placed in cash. All of these might force positions to be unwound at a loss, and might materially impact returns.
   - The derivative contracts at times are undertaken with various counterparties. These counterparties may not be able to meet the obligations under such derivative contracts. This would lead to credit risk in derivative transactions, Hence, derivative trades are undertaken with approved counterparties or through exchanges. This mitigates credit risk on derivative transactions.

RISK FACTORS WITH RESPECT TO IMPERFECT HEDGING USING INTEREST RATE FUTURES

An Interest Rate Futures 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 Exchange traded. These future contracts are cash settled.

1. Perfect Hedging means hedging the underlying using IRF contract of same underlying.
2. Imperfect hedging means the underlying being hedged and the IRF contract has correlation of closing prices of more than 90%.
In case of imperfect hedging, the portfolio can be a mix of:
1) Corporate Bonds and Government securities or
2) Only Corporate debt securities or
3) Only government securities with different maturities

Risk associated with imperfect hedging includes:

Basis Risk: The risk arises when the price movements in derivative instrument used to hedge the underlying assets does not match the price movements of the underlying assets being hedged. Such difference may potentially amplify the gains or losses, thus adding risk to the position.

Price Risk: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Risk of mismatch between the instruments: The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example when IRF which has government security as underlying is used, to hedge a portfolio that contains corporate debt securities.

Correlation weakening and consequent risk of regulatory breach: SEBI Regulation mandates minimum correlation criterion of 0.9 (calculated on a 90 day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 business days has been permitted. Inability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

- **Risks associated with Investing in Securitised Debt**

A securitization transaction involves sale of receivables by the originator (a bank, non-banking finance company, housing finance company, microfinance companies 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. Generally available asset classes for securitization in India are:

- Commercial vehicles
- Auto and two wheeler pools
- Mortgage pools (residential housing loans)
- Personal loan, credit card and other retail loans
- Corporate loans/receivables
- Microfinance receivables

In pursuance to SEBI communication dated: August 25, 2010, given below are the requisite details relating to investments in Securitized debt.

- Risk profile of securitized debt vis-à-vis risk appetite of the scheme:

Securitized debt instruments are relatively illiquid in the secondary market and hence they are generally held to maturity which would match with the long-term investment horizon of these investors. Investment in these instruments may help the fund in aiming at reasonable returns. These returns come with a certain degree of risks which are covered separately in the Scheme Information Document.

- Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc.

- Risk mitigation strategies for investments with each kind of originator

For a complete understanding of the policy relating to selection of originators, we have first analysed below risks attached to a securitization transaction.

In terms of specific risks attached to securitization, each asset class would have different underlying risks, however, residential mortgages are supposed to be having lower default rates as an asset class. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher, which helps in making their overall risks comparable to other AAA/AA rated asset classes.

The Scheme may invest in securitized debt assets. These assets would be in the nature of Asset Backed securities (ABS) and Mortgage Backed securities (MBS) with underlying pool of assets and receivables like housing loans, auto loans and single corporate loan originators. The Scheme intends to invest in securitized instruments rated AAA/AA by a SEBI recognized credit rating agency.

Before entering into any securitization transaction, the risk is assessed based on the information generated from the following sources:

(1) Rating provided by the rating agency
(2) Assessment by the AMC

(1) Assessment by a Rating Agency

In its endeavor to assess the fundamental uncertainties in any securitization transaction, a credit rating agency normally takes into consideration following factors:

Credit Risk:

Credit risk forms a vital element in the analysis of securitization transaction. Adequate credit enhancements to cover defaults, even under stress scenarios, mitigate this risk. This is done by evaluating following risks:

- Asset risk
- Originator risk
- Portfolio risk
- Pool risks

The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are 'cherry-picked' using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of installments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analyzed with regard to geographical location, borrower profile, LTV, and tenure.

Counterparty Risk:

There are several counterparties in a securitization transaction, and their performance is crucial. Unlike in the case of credit risks, where the risks emanate from a diversified pool of retail assets, counterparty risks result in either performance or non-performance. The rating agencies generally mitigate such risks through the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure. The risks assessed under this category include:

- Servicer risk
- Commingling risk
- Miscellaneous other counterparty risks

Legal Risks:

The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction.

Market Risks:

Market risks represent risks not directly related to the transaction, but other market related factors, stated below, which could have an impact on transaction performance, or the value of the investments to the investors.

- Macro-economic risks
- Prepayment risks
- Interest rate risks

Other Risks associated with investment in securitized debt and mitigation measures

Limited Liquidity and Price Risk:

There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.

Risk Mitigation: Securitized debt instruments are relatively illiquid in the secondary market and hence they are generally held to maturity. The liquidity risk and HTM nature is taken into consideration at the time of analyzing the appropriateness of the securitization.

Liquidity Risk Management Framework:

In accordance with SEBI circular and AMFI guidelines (issued from time to time), the AMC has put in place the Liquidity Risk Management Framework which monitors the liquidity risk. As per the prescribed guidelines, the liquidity ratios are calculated and liquid assets are maintained on a daily basis at scheme level for all open-ended schemes (except Overnight Fund, Gilt Fund and Gilt Fund with 10-year constant duration). These ratios address the potential liquidity risk scenarios upto 99% confidence interval. The guidelines also outline the action plan in case there is a difference between actual outcome and projected outcome. Further, the AMC monitors asset-liability mismatch requirement which addresses potential liquidity requirement over a 90-day period and relevant asset side liquidity to be maintained as prescribed by the master circular.

Stress testing:

In accordance with the master circular and AMFI guidelines (issued from time to time), the AMC carries out stress testing for all open ended debt schemes (except overnight scheme). Stress testing covers impact on the scheme NAV on account of interest rate risk, credit risk and liquidity risk.

Limited Recourse, Delinquency and Credit Risk:

The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent 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 Payouts to the Certificate Holders 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 Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise 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.

Risk Mitigation: In addition to careful scrutiny of credit profile of borrower/pool additional security in the form of adequate cash collaterals and other securities may be obtained to ensure that they all qualify for similar rating.

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;

- Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or
- Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
- The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same
- In the event of prepayments, investors may be exposed to changes in tenor and yield.

Risk Mitigation: A certain amount of prepayments is assumed in the calculations at the time of purchase based on historical trends and estimates. Further a stress case estimate is calculated and additional margins are built in.

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.

Risk Mitigation: Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'. It is also in the interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.

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 swap 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 Mitigation: 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.

Credit Rating of the Transaction / Certificate:

The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the market price of the Certificate or its suitability to a particular investor. 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.

Risk of Co-mingling:

With respect to the Certificates, the Servicer will 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 originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

(2) Assessment by the AMC

Mapping of structures based on underlying assets and perceived risk profile

The scheme may invest in securitized debt originated by Banks, NBFCs and other issuers. The AMC may evaluate following factors, while investing in securitized debt:

Originator:

Acceptance Evaluation Parameters (For Pool Loan and Single Loan Securitization Transactions)

Track record:

The AMC ensures that there is adequate past track record of the Originator before selection of the pool including a detailed look at the number of issuances in past, track record of issuances, experience of issuance team, etc.

Willingness to pay:

As the securitized structure has underlying collateral structure, depending on the asset class, historical NPA trend and other pool / loan characteristics, a credit enhancement in the form of cash collateral, such as fixed deposit, bank, guarantee etc. is obtained, as a risk mitigation measure.

Ability to pay:

This assessment is based on a strategic framework for credit analysis, which entails a detailed financial risk assessment.

Management analysis is used for identifying company specific financial risks. One of the most important factors for assessment is the quality of management based on its past

track record and feedback from market participants. In order to assess financial risk a broad assessment of the issuer's financial statements is undertaken to review its ability to undergo stress on cash flows and asset quality. 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 company as well as agency

Critical Evaluation Parameters (For Pool Loan and Single Loan Securitization Transactions)

Typically the AMC would avoid investing in securitization transaction (without specific risk mitigant strategies / additional cash/security collaterals/ guarantees) if there are concerns on the following issues regarding the originator / underlying issuer:

- High default track record/ frequent alteration of redemption conditions / covenants
- High leverage ratios – both on a standalone basis as well on a consolidated level/ group level
- Higher proportion of reschedulement 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.

Advantages of Investments in Single Loan Securitized Debt

- Wider Coverage: A Single Loan Securitized Debt market offers a more diverse range of issues / exposures as the Banks / NBFCs lend to larger base of borrowers.
- Credit Assessment: Better credit assessment of the underlying exposure as the Banks / NBFCs ideally co-invest in the same structure or take some other exposure on the same borrower in some other form.
- Better Structuring: Single Loan Securitized Debt investments facilitates better structuring than investments in plain vanilla debt instruments as it is governed by Securitization guidelines issued by RBI.
- Better Legal documentation: Single Loan Securitized Debt structures involve better legal documentation than Non-Convertible Debenture (NCD) investments.
- End use of funds: Securitized debt has better standards of disclosures as well as limitation on end use of funds as compared to NCD investments wherein the end use is general corporate purpose.
- Yield enhancer: Single Loan Securitized Debt investments give higher returns as compared to NCD investments in same corporate exposure.
- Regulator supervision: Macro level supervision from RBI in Securitization Investments as compared to NCD investments.
- Tighter covenants: Single Loan Securitized Debt structures involve tighter financial covenants than NCD investments.

Disadvantages of Investments in Single Loan Securitized Debt

- Liquidity risk: Investments in Single Loan Securitized Debts have relatively less liquidity as compared to investments in NCDs.
- Co-mingling risk: Servicers in a securitization transaction normally deposit all payments received from the obligors into a collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account. In this interim period, collections from the loan agreements by the servicer may not be segregated from other funds of the servicer. If the servicer fails to remit such funds due to investors, investors in the Scheme may be exposed to a potential loss.

Table below illustrates the factors which may be applied while evaluating investment decision relating to a pool securitization transaction:

Characteristics/Type of Pool	**Mortgage Loan**	**Commercial Vehicle and Construction Equipment**	**CAR**	**2 wheelers**	**Micro Finance Pools**	**Personal Loans**
Approximate Average maturity (in Months)	36-120 months	12- 60 months	12-60 months	15-48 months	15-80 weeks	5 months - 3 years
Collateral margin (including cash ,guarantees, excess interest spread , subordinate tranche)	3-10%	4-12%	4-13%	4-15%	5-15%	5-15%
Average Loan to Value Ratio	75%-95%	80%-98%	75%-95%	70%-95%	Unsecured	Unsecured
Average seasoning of the Pool	3-5 months	3-6 months	3-6 months	3-5 months	2-7 weeks	1-5 months
Maximum single exposure range	4-5%	3-4%	NA (Retail Pool)	NA (Retail Pool)	NA (Very Small Retail loan)	NA (Retail Pool)
Average single exposure range %	0.5%-3%	0.5%-3%	<1% of the Fund size	<1% of the Fund size	<1% of the Fund size	<1% of the Fund size

Notes:

1. Retail pools are the loan pools relating to Car, 2 wheeler, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.
2. Information illustrated in the Tables above, is based on the current scenario relating to Securitized Debt market and is subject to change depending upon the change in the related factors.
3. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments
4. Majority of our securitized debt investments shall be in asset backed pools wherein the AMC may have underlying assets as Medium and Heavy Commercial Vehicles, Light Commercial Vehicles (LCV), Cars, and Construction Equipment etc.

Where the AMC invest in Single Loan Securitization, as the credit is on the underlying issuer, the AMC focus on the credit review of the borrower.

In addition to the factors as per the table above, we also take into account following factors, which are analyzed to ensure diversification of risk and measures identified for less diversified investments:

- **Size of the Loan:**

The AMC generally analyzes the size of each loan on a sample basis and analyze a static pool of the originator to ensure the same matches the Static pool characteristics. Also indicates whether there is excessive reliance on very small ticket size, which may result in difficult and costly recoveries. To illustrate, the ticket size of housing loans is generally higher than that of personal loans. Hence in the construction of a housing loan asset pool for say Rs.1,00,00,000/- it may be easier to construct a pool with just 10 housing loans of Rs.10,00,000 each rather than to construct a pool of personal loans as the ticket size of personal loans may rarely exceed Rs.5,00,000/- per individual. Also to amplify this illustration further, if one were to construct a pool of Rs.1,00,00,000/- consisting of personal loans of Rs.1,00,000/- each, the larger number of contracts (100 as against one of 10 housing loans of Rs.10 lakh each) automatically diversifies the risk profile of the pool as compared to a housing loan based asset pool.

- **Average Original Maturity of the Pool:**

Indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. To illustrate, in a car pool consisting of 60-month contracts, the original maturity and the residual maturity of the pool viz. number of remaining installments to be paid gives a better idea of the risk of default of the pool itself. If in a pool of 100 car loans having original maturity of 60 months, if more than 70% of the contracts have paid more than 50% of the installments and if no default has been observed in such contracts, this is a far superior portfolio than a similar car loan pool where 80% of the contracts have not even crossed 5 installments.

- **Default Rate Distribution:**

The AMC generally ensure that all the contracts in the pools are current to ensure zero default rate distribution. 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 being, as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.

- **Geographical Distribution:**

Regional/state/ branch distribution is preferred to avoid concentration of assets in a particular region/state/branch.

- **Loan to Value Ratio:**

Indicates how much % 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 lakhs, 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 lakhs 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 latter would have higher risk of default than the former.

- **Average seasoning of the pool:**

Indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loan, if a pool of assets consist of those who have already repaid 80% of the installments without default, this certainly is a superior asset pool than one where only 10% of installments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.

- **Risk Tranching:**

Typically, the AMC may avoid investing in mezzanine debt or equity of Securitized debt in the form of sub ordinate tranche, without specific risk mitigant strategies / additional cash / security collaterals/ guarantees, etc.

- **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**

  Investments made by the scheme in any asset are done based on the requirements of the scheme and is in accordance with the investment policy. All Investments are made entirely at an arm's length basis with no consideration of any existing / consequent investments by any party related to the transaction (originator, issuer, borrower etc.). Investments made in Securitized debt are made as per the Investment strategy of the Scheme and are done after detailed analysis of the underlying asset. There might be instances of Originator investing in the same scheme but both the transactions are at arm's length and avoid any conflict of interest.

- **In general, the resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt**

  The risk assessment process for securitized debt, as detailed in the preceding paragraphs, is same as any other credit. The investments in securitized debt are done after appropriate research. The ratings are monitored for any movement. Monthly Pool Performance MIS is received from the trustee and is analyzed for any variation. The securitized debt investments are published in the fact sheet and disclosed on the website.

  Note: The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors.

➢ **Risks associated with 'Short Selling' and 'Securities Lending'**

The Scheme will not do any 'Short Selling' and 'Securities Lending' activity.

➢ **Risk Factors associated with repo transactions in corporate debt**

Lending transactions:
The scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However in repo lending transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk may be further mitigated through over-collateralization (the value of the collateral being more than the repo amount). Further, the liquidation of underlying securities in case of counterparty default would depend on liquidity of the securities and market conditions at that time. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation and over-collateralization to cushion the impact of market risk on sale of underlying security.

Borrowing transactions:
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). This risk is normally mitigated by better cash flow planning to take care of such repayments. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date.

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

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments.

CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilized to complete the settlement. The sequence in which the above resources are used is known as the "Default Waterfall".

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members.

Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

However, it may be noted that a member shall have the right to submit resignation from the membership of the Security segment if it has taken a loss through replenishment of its contribution to the default fund for the segments and a loss threshold as notified have been reached. The maximum contribution of a member towards replenishment of its contribution to the default fund in the 7 days (30 days in case of securities segment) period immediately after the afore-mentioned loss threshold having been reached shall not exceed 5 times of its contribution to the Default Fund based on the last re-computation of the Default Fund or specified amount, whichever is lower.

Further, it may be noted that, CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

- **Risk Factors associated with schemes investing in Gilt Securities**

Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in prices is a function of the existing coupon, days to maturity and the increase or decrease in interest rates. Price-risk is not unique to government securities but is true for all fixed income securities. The default risk however, in respect of Government securities is zero. Therefore, their prices are influenced only by movement in interest rates in the financial system. On the other hand, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced by credit standing of the issuer as well as the general level of interest rates.

Even though the Government securities market is more liquid compared to other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through.

Portfolio Turnover

Portfolio turnover is defined as the lower of purchases and sales after reducing all subscriptions and redemptions and derivative transactions there from and calculated as a percentage of the average assets under management of the Scheme during a specified period of time.

RISK MANAGEMENT STRATEGIES

The Scheme by utilizing a holistic risk management strategy will endeavor to manage risks associated with investing in debt markets. The risk control process involves identifying & measuring the risk through various risk measurement tools.

The Scheme has identified following risks of investing in debt securities and designed risk management strategies, which are embedded in the investment process to manage such risks.

Risks associated with Debt investment	
Market Risk/ Interest Rate Risk As with all debt securities, changes in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do	The schemes will undertake the active portfolio management as per the investment objective to reduce the market risk. In a rising interest rates scenario the scheme may increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer

short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.	maturity may be increased thereby mitigating risk to that extent.
Liquidity or Marketability Risk This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM).	The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds.
Credit Risk Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security).	Management analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken. In case of securitized debt instruments, the Schemes will ensure that these instruments are sufficiently backed by assets.
Reinvestment Risk This risk refers to the interest rate levels at which cash flows received from the securities in the Schemes are reinvested The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.	Reinvestment risks will be limited to the extent of coupons received on debt instruments, which may be a very small portion of the portfolio value.

Derivatives Risk As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. 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 mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Interest Rate Swaps will be done with approved counter parties under pre-approved ISDA agreements or through recognized trading platforms. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines.

Note: The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

II. Information about the scheme:

A. Where will the scheme invest?

The Scheme aims at generating returns commensurate with zero credit risk by investing in securities created and issued by the Central Government and/or a State Government and/or repos/ reverse repos in such government securities as may be permitted by RBI. The Scheme may also invest a portion of the corpus in the call money market, TREPS or in an alternative money market instruments as may be provided by the RBI to meet the liquidity requirements. The Scheme will not invest in any other securities such as shares and/or debentures or in bonds issued by any other entity other than Central or State Government. The Fund will seek to underwrite issuance of Government Securities subject to the prevailing rules and regulations as may be specified by SEBI/ RBI in this respect and may also participate in the auction of Government securities from time to time. The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. Such investment shall be made subject to the guidelines which may be prescribed.

POSITION OF DEBT MARKET IN INDIA

There are three main segments in the debt markets in India, viz., Government Securities, Public Sector Units (PSU) bonds, and corporate securities. A bulk of the debt market consists of Government Securities. Other instruments available currently include Corporate Debentures, Bonds issued by Financial Institutions, Commercial Paper, Certificates of Deposits and Securitized Debt. Securities in the Debt market typically vary based on their tenure and rating. Government Securities have tenures from one year to

thirty years whereas the maturity period of the Corporate Debt now goes upto sixty years and more (perpetual). Perpetual bonds are now issued by banks as well. Securities may be both listed and unlisted and there is increasing trend of securities of maturities of over one year being listed by issuers.

The yields and liquidity on various securities as on May 31, 2024 are as under:

Issuer	Instrument	Maturity	Yields (%)	Liquidity
GOI	Treasury Bill	91 Days	6.87%	High
GOI	Treasury Bill	364 Days	7.02%	High
GOI	Short Dated	1-3 Years	7.01% - 7.03%	High
GOI	Medium Dated	3-5 Years	7.05% - 7.05%	High
GOI	Long Dated	5-10 Years	7.05% - 6.99%	High
Corporates	Taxable Bonds (AAA)	1-3 Years	7.65% - 7.71%	Medium
Corporates	Taxable Bonds (AAA)	3-5 Years	7.71% - 7.55%	Low to Medium
Corporates	CDs (A1+)	3 months	7.13%	Medium to High
Corporates	CPs (A1+)	3 months	7.70%	Medium to High

B. What are the investment restrictions?

Pursuant to the Regulations and amendments thereto and subject to the Asset allocation pattern, the following investment restrictions are presently applicable to the Scheme:

1. Mutual Funds/AMCs shall ensure that total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, TREPs, G-Secs, TBills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall 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.

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

2. a) A mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act as per the following matrix.

   A mutual fund scheme shall not invest more than:

   a. 10% of its NAV in debt and money market securities rated AAA; or
   b. 8% of its NAV in debt and money market securities rated AA; or
   c. 6% of its NAV in debt and money market securities rated A and below

issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in paragraph 1 of Seventh Schedule of MF Regulation.

b) Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and TREPs:

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

3. Mutual fund schemes 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, mutual fund schemes may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio, 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 the above purposes, listed debt instruments shall include listed and to be listed debt instruments.

4. The Scheme shall not invest more than 5% of its net assets 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. All such investments shall be made with the prior approval of the Board of Trustees and the Board of AMC.

   Investments should only be made in such instruments, including bills re-discounting, 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.

5. 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.

   For the purpose of this provision, 'Group' shall have the same meaning as defined in paragraph 12.9.3.3 of the Master Circular.

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.

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 should initiate necessary steps to ensure protection of the interest of the investors.

6. Group exposure –
   i. The Fund shall ensure that total exposure of the debt scheme 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.
   ii. 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
   iii. 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.

7. Transfer of investments from one Scheme to another Scheme in the same Mutual Fund is permitted provided:
   - Such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
   - The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

   Further the inter Scheme transfer of investments shall be in accordance with the provisions contained in paragraph Inter-Scheme transfer of investments, contained in Statement of Additional Information. The AMC shall comply with the guidelines stated in paragraph 12.30 of the Master Circular.
8. 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. No investment management fees shall be charged for investing in other Schemes of the Fund or in the Schemes of any other mutual fund.
9. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

   Provided further that the Mutual Fund may enter into derivatives transactions in a

recognized stock exchange, subject to the framework specified by SEBI

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard

10. The Fund 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.

11. 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 of scheduled commercial banks as per paragraph 12.16 of the Master Circular. The following guidelines shall be followed for parking of funds in short term deposits of Scheduled commercial Banks pending deployment:

a. *"Short Term" for such parking of funds by mutual funds shall be treated as a period not exceeding 91 days.*
b. Such short term deposits shall be held in the name of the concerned Scheme.
c. No mutual fund Scheme shall park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, it 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 total deployment by the mutual fund in short term deposits.
d. No mutual fund Scheme shall park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
e. Trustees/Asset Management Companies (AMCs) shall ensure that no funds of a scheme are parked in short term deposit (STD) of a bank which has invested in that scheme. Trustees/AMCs shall also ensure that the bank in which a scheme has STD does not invest in the said scheme until the scheme has STD with such bank.
   The above conditions are not applicable to term deposits placed as margins for trading in cash and derivative market.
f. Asset Management Company (AMC) shall not be permitted to charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks

12. 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.

13. The scheme shall not invest in Fund of funds scheme.

14. No loans for any purpose can be advanced by the Scheme.

15. 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 or IDCW 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.

16. The Mutual Fund having an aggregate of securities which are worth Rs.10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by the Board, settle their transactions entered on or after January 15, 1998 only through dematerialised securities. Further all transactions in government securities shall be in dematerialised form.

17. The Scheme will comply with provisions specified in paragraph 12.25 of the Master Circular related to overall exposure limits applicable for derivative transactions as stated below:

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:
   i. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
   ii. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point (a).
   iii. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
   iv. The quantity of underlying associated with the derivative position taken for hedging purpose does not exceed the quantity of the existing position against which hedge has been taken.
   v. (a) Mutual Funds may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.
   (b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.
6. 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 (a) above.

7. Definition of Exposure in case of Derivative Positions - 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

Exposure limit for participating in Interest Rate Futures as per paragraph 12.25.9 of the Master Circular

i. To reduce interest rate risk in a debt portfolio, mutual funds may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{\text{(Portfolio Modified Duration * Market Value of the Portfolio)}}{\text{(Futures Modified Duration * Future Price/ PAR)}}$$

ii. In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

iii. Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:

a) Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b) Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Paragraph 12.24 of the Master Circular. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:
i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or
ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.

c) At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

d) The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of paragraph 12.24.1 of the Master Circular.

iv. The basic characteristics of the scheme should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.
Explanation: In case of long term bond fund, after hedging the portfolio based on the

modified duration of the portfolio, the net modified duration should not be less than the minimum modified duration of the portfolio as required to consider the fund as a long term bond fund.

v. The interest rate hedging of the portfolio should be in the interest of the investors.

18. Below stated conditions and norms shall apply to repo in corporate debt securities, which are subject to change as may be prescribed by SEBI and/or RBI from time to time:
a) Any scheme shall not lend/borrow more than 10% of its net assets in repo against corporate debt securities.

b) The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt, derivatives and any other permitted assets shall not exceed 100% of the net assets of the Scheme.

c) The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

d) The exposure limit/investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate debt securities.

e) Counterparty selection & credit rating:
The AMC follows an issuer selection and approval process for fixed income investments and the same shall be used for selection of counterparties for repo in corporate debt securities. Repo transactions shall be carried out with only those counterparties who have a credit rating of 'AA and above' (Long term rating) or 'A1+' (Short term rating) provided by any credit rating agency as accredited by SEBI from time to time.

f) Tenor of Repo:
Tenor of repo shall not exceed 6 months. There shall be no restriction/limitation on the tenor of collateral.

g) Applicable haircut:
The AMC would be guided by the parameters for applying haircut as may be specified by RBI and/or SEBI for undertaking repo in corporate debt securities, from time to time.

h) Rating of underlying instruments:

The schemes shall participate in repo transactions only in AA (or equivalent short term rating) and above rated corporate debt securities.

19. As per paragraph 4.6.1 of the Master Circular, all open ended debt schemes (except Overnight Fund, Liquid Fund, Gilt Fund and Gilt Fund with 10 year constant duration) shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities.

The liquid assets specified above shall not be included for determining the scheme characteristics of the open ended debt schemes as specified in Part IV of the Master Circular.

In case the exposure in such liquid assets / securities falls below the threshold mandated above, the Asset Management Companies (AMCs) shall ensure compliance with the above requirement before making any further investments.

In accordance with the requirements of paragraph 4.6 of the master circular dated May 19, 2023, the asset allocation limits shall be computed as Net assets excluding the extent of minimum stipulated liquid assets i.e. 10%.

20. The Scheme will comply with any other Regulation applicable to the investments of mutual funds from time to time.

21. The Scheme may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework are some instruments which may have above referred special features. The debt instruments having such special features as referred above, which otherwise are Non-Convertible Debentures, may be treated as debt instruments until converted to equity.

    i. no Mutual Fund under all its schemes shall own more than 10% of such instruments issued by a single issuer

    ii. a Mutual Fund scheme shall not invest:

    a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
    b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

All investment restrictions shall be applicable at the time of making investment. The Trustee /AMC may alter the above stated limitations from time to time, and also to the extent the SEBI (Mutual Funds) Regulations, 1996 change or as deemed fit in the general interest of the unit holders, so as to permit the Scheme to make their investments in the full spectrum of permitted investments in order to achieve their investment objective.

C. Fundamental Attributes

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) subject to compliance with sub-regulation (26) of Regulation 25 of the SEBI (MF) Regulations:

(i) Type of a Scheme

For details on type of Scheme, please refer **"Type of the Scheme".**

(ii) Investment Objective

- Main Objective - Please refer **"What are the investment objectives of the Scheme?"**

Investment pattern – The tentative portfolio break-up of Equity and Debt and other permitted securities and such other securities as may be permitted by the SEBI from time

to time with minimum and maximum asset allocation, while retaining the option to alter the asset allocation for a short term period on defensive considerations. Please refer **"How will the Scheme allocate its assets?"** for more details.

(iii) Terms of Issue

1) Liquidity

On an on-going basis, an investor can purchase and redeem Units on every Business Day at NAV based prices, subject to the applicable load structure.

- **Listing**

  Being an open-ended fund, the Units of the Scheme will not be listed on any stock exchange, at present. The Trustee may, at its sole discretion, cause the Units under the Scheme to be listed on one or more Stock Exchanges. Notification of the same will be made through Customer Service Centres of the AMC and as may be required by the respective Stock Exchanges.

- **Redemption of Units**

  For details on redemption of units, please refer section "Redemption of Units.

- **Redemption Price**

  The redemption price will be at Applicable NAV based prices, subject to applicable exit load provisions.

2) Aggregate fees and expenses charged to the Scheme: The provisions in respect of fees and expenses as indicated in this Scheme Information Document.

3) **Any safety net or guarantee provided:** The present Scheme is not a guaranteed or assured return scheme.

Changes in Fundamental Attributes

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 and paragraph 1.14.1.4 of the Master Circular, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless it complies with sub-regulation (26) of regulation 25 of these regulations.

In accordance to regulation 25(26) of the SEBI (MF) Regulations, the Asset management company shall ensure that no change in the fundamental attributes of any scheme or the trust, fees and expenses payable or any other change which would modify the scheme and affect the interest of unit holders, shall be carried out unless:

- An application has been made with SEBI and views/comments of SEBI are sought on the proposal for fundamental attribute changes;
- An addendum to the existing SID shall be issued and displayed on AMC website immediately,
- SID shall be revised and updated immediately after completion of duration of the exit option (not less than 30 days),

- A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated, and the Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

D. Other Scheme Specific Disclosures:

Listing and transfer of units	Not Applicable
Dematerialization of units	The asset management company shall issue units in dematerialized form to a unit holder in a scheme within two business days of the receipt of request from the unit holder subject to receipt of complete documents and details from the investor. Unit holders can convert their existing physical units (represented by statement of account) into dematerialized form, for further details, please refer to SAI.
Policy for declaration of Income Distribution cum capital withdrawal (IDCW Policy)	**(i) Growth Option** The Scheme will not declare any IDCW under this option. The income earned by the Scheme will remain reinvested in the Scheme and will be reflected in the Net Asset Value. This option is suitable for investors who are not looking for regular income but who have invested with the intention of capital appreciation. **(ii) IDCW Option** This option is suitable for investors seeking income through IDCW declared by the Scheme. The Trustee may approve the distribution of IDCW by AMC out of the net surplus under this Option. The remaining net surplus after considering the IDCW and tax, if any, payable there on will be ploughed back in the Scheme and be reflected in the NAV. **(iii) IDCW Payout:** As per the SEBI (MF) Regulations, the Mutual Fund shall dispatch to the Unit Holders, IDCW warrants within 7 business days from the record date. IDCW will be payable to those Unit Holders whose names appear in the Register of Unit Holders on the date (Record Date). IDCW will be paid by cheque, net of taxes as may be applicable. Unit Holders will also have the option of direct payment of IDCW to the bank account. The cheques will be drawn in the name of the sole/first holder and will be posted

	to the Registered address of the sole/first holder as indicated in the original application form. To safeguard the interest of Unit Holders from loss or theft of IDCW cheques, investors should provide the name of their bank, branch and account number in the application form. IDCW cheques will be sent to the Unit Holder after incorporating such information. The minimum amount for IDCW payout shall be Rs.100, else IDCW would be mandatorily reinvested. **(iv) IDCW Reinvestment:** The investors opting for IDCW Option may choose to reinvest the IDCW to be received by them in additional Units of the Scheme. Under this provision, the IDCW due and payable to the Unitholders will be compulsorily and without any further act by the Unitholders reinvested in the Scheme (under the IDCW Option, at the first ex- IDCW NAV). The IDCW so reinvested shall be constructive payment of IDCW to the Unitholders and constructive receipt of the same amount from each Unitholder for reinvestment in Units. On reinvestment of IDCW, the number of Units to the credit of Unitholder will increase to the extent of the IDCW reinvested IDCW by the NAV applicable on the day of reinvestment, as explained above. **(V) IDCW Transfer** IDCW Transfer facility will be available under the scheme. The designated schemes (source and target schemes) for this facility are as given below: Source schemes - all schemes where IDCW option is available [except (i) Exchange Traded Funds (ETFs) and (ii) separate plans under ICICI Prudential Overnight Fund for deployment of unclaimed amounts viz ICICI Prudential Overnight Fund - Unclaimed Redemption, ICICI Prudential Overnight Fund - Unclaimed IDCW, ICICI Prudential Overnight Fund - Unclaimed Redemption Investor Education and ICICI Prudential Overnight Fund - Unclaimed IDCW Investor Education] Target schemes- all open ended schemes where subscription is allowed [except (i) Exchange Traded Funds (ETFs) and (ii)

	separate plans under ICICI Prudential Overnight Fund for deployment of unclaimed amounts viz ICICI Prudential Overnight Fund - Unclaimed Redemption, ICICI Prudential Overnight Fund - Unclaimed IDCW, ICICI Prudential Overnight Fund - Unclaimed Redemption Investor Education and ICICI Prudential Overnight Fund - Unclaimed IDCW Investor Education] Note: Investors are requested to note that any change in IDCW sub-option, due to additional investment or on the basis of a request received from the investor, will be applicable to all existing units in the IDCW option of the Scheme under the respective folio. The Trustee reserves the right to declare IDCW under the IDCW option of the Scheme depending on the distributable surplus available under the Scheme. It should, however, be noted that actual distribution of IDCW and the frequency of distribution will depend, inter-alia, on the availability of distributable surplus and will be entirely at the discretion of the Trustee. The IDCW will be distributed in accordance with Chapter 11 of the Master Circular on the procedure for IDCW Distribution. Equalization Reserve: When units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay IDCW. IDCW can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains..
Allotment (Detailed procedure)	The AMC shall allot the units to the applicant whose valid application has been accepted and funds have been credited to the account. The AMC shall also send confirmation specifying the number of units allotted to the applicant by way of email and/or SMS's to the applicant's registered email address and/or registered mobile number not later than 5 working days from the date of receipt of the request from the unitholders Further, the asset management company shall issue units in dematerialized form to a

	unit holder in a scheme within two business days of the receipt of request from the unit holder.
Refund	Not Applicable for ongoing schemes.
Who can Invest? (This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.)	The following persons are eligible and may apply for subscription to the Units of the Scheme (subject, wherever relevant, to purchase of units of Mutual Funds being permitted under respective constitutions and relevant statutory regulations): • Resident adult individual either singly or jointly (not exceeding four) • Minor through parent/lawful guardian • Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions) • Religious and Charitable Trusts (eligible to invest in certain securities) under the provisions of 11(5) of the Income-tax Act, 1961 read with Rule 17C of Income-Tax Rules, 1962 subject to the provisions of the respective constitutions under which they are established permits to invest • Any other trust, including private trusts as may be permitted by their respective Regulator • Non-Government Organizations as may be permitted by their respective Regulator. • Partnership Firms • Karta of Hindu Undivided Family (HUF) • Banks & Financial Institutions • Non-resident Indians/Persons of Indian origin residing abroad (NRIs) on full repatriation basis or on non-repatriation basis • Army, Air Force, Navy and other para-military funds • Scientific and Industrial Research Organizations • Mutual fund Schemes • Alternate Investment Funds, Portfolio Management Services, etc. • Authorized Government entities as may be approved by State Governments or Central Government • EPFOs • Other individuals/institutions/body

	corporate etc. or any other permitted category of investors Investors are requested to ensure compliance with the regulatory guidelines applicable to them, while making such investments. Every investor, depending on any of the above category under which he/she/ it falls, is required to provide the relevant documents along with the application form as may be prescribed by AMC.
Who cannot invest?	The following persons are not eligible to invest in the Scheme: • A person who falls within the definition of the term "U.S. Person" under 'Regulation S' promulgated under the Securities Act of 1933 of the United States, as amended, and corporations or other entities organised under the laws of the U.S. are not eligible to invest in the schemes and apply for subscription to the units of the schemes, except for lump sum subscription, systematic transactions and switch transactions requests received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by ICICI Prudential Asset Management Company Limited (the AMC)/ICICI Prudential Trust Limited (the Trustee) from time to time. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/the Trustee. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard. • A person who is resident of Canada

	• Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time.
How to Apply and other details	Please refer to the SAI for detailed process (physical and online) with respect to additional/ongoing purchase, Investments by NRIs (Non-Resident Indian), FPIs (Foreign Portfolio Investors) and Foreign Investors, Joint Applications, official points of acceptance, collecting banker details etc. Investors can also read further details in the application form available on the AMC website under Downloads -> Forms It is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units. If the Unit-holder fails to provide the Bank mandate, the request for redemption would be considered as not valid and the Scheme retains the right to withhold the redemption until a proper bank mandate is furnished by the Unit-holder and the provision with respect of penal interest in such cases will not be applicable/ entertained. Kindly refer to below link for the list of official points of acceptance, collecting banker details etc. SID related information (icicipruamc.com)
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the Scheme or the AMC) involved in the same.	Not applicable
Restrictions, if any, on the right to freely retain or dispose of units being offered.	**Subscription:** In the interest of the investors and in order to protect the portfolio from market volatility, the Trustees reserve the right to limit or discontinue subscriptions under the Scheme for a specified period of time or till further notice. **Redemption:** Suspension or restriction of repurchase/ redemption facility under any Scheme of the mutual fund shall be made applicable only after obtaining the approval from the Boards of Directors of the AMC and the Trustees. After obtaining the approval from the AMC

	Board and the Trustees, intimation would be sent to SEBI in advance providing details of circumstances and justification for the proposed action shall also be informed.
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.**	The below cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day: **For Purchase of any amount:** • In respect of valid applications received upto 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. 3.00 p.m. - the closing NAV of the day shall be applicable. • In respect of valid applications received after 3.00 p.m. and where the funds for the entire amount are available for utilization on the same day or before the cut-off time of the next business day - the closing NAV of the next Business Day shall be applicable. • Irrespective of the time of receipt of application, where the funds for the entire amount are available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. **For Switch-ins of any amount:** In case of switch from one scheme to another scheme received before cut-off i.e. upto 3 p.m. having business day for both the schemes, closing NAV of the Business Day shall be applicable for switch-out scheme and for Switch-in scheme, the closing NAV of the Business Day shall be applicable, on which funds are available for utilization in the switch-in scheme (allocation shall be in line with the redemption payout). To clarify, for investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), Flex STP, Capital Appreciation STP, IDCW Transfer, Trigger etc. the units will

	be allotted as per the closing NAV of the day on which the funds are available for utilization by the Target Scheme irrespective of the installment date of the SIP, STP or record date of IDCW etc**.** *- "Switch Out" shall be treated as redemption application and accordingly, closing NAV of the day will be applicable based on the cut-off time for redemption followed for various type of schemes.* *- "Switch In" shall be treated as purchase application and accordingly for unit allotment, closing NAV of the day will be applicable on which the funds are available for utilization.* **Redemptions including switch-outs:** In respect of valid applications received upto 3.00 pm on a business day by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after the cut off time by the Mutual Fund: the closing NAV of the next business day. e.g.: If an investor submits redemption request at 2.00 pm on Monday, the same shall be processed at the closing NAV of Monday. If an investor submits redemption request at 3.30 pm on Monday, the same shall be processed at the closing NAV of Tuesday.
Minimum amount for purchase/redemption/switches for direct subscriptions with the AMC	Minimum Purchase Amount: Rs. 5,000/- (plus in multiple of Re. 1/-) Minimum application amount for switch ins – Rs. 5,000 and any amount thereafter Minimum additional application amount – Rs. 1,000 and any amount thereafter. Minimum additional application amount for switch ins – Rs. 5,000 and any amount thereafter Minimum Redemption Amount: Any amount

Consolidated Account Statement	1. The Consolidated Account Statement (CAS) for each calendar month will be issued on or before fifteenth day of succeeding month to the investors who have provided valid Permanent Account Number (PAN). Further, CAS will be sent via email where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records. 2. For folios not included in the Consolidated Account Statement (CAS), the AMC shall henceforth issue account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before fifteenth day of succeeding month. 3. The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number 4. In case of a specific request received from the unit holder, the AMC shall provide the account statement to the investors within 5 business days from the receipt of such request. 5. In the case of joint holding in a folio, the first named Unit holder shall receive the CAS/account statement. The holding pattern has to be same in all folios across Mutual Funds for CAS. Further, in case if no transaction has taken place in a folio during the period of six months ended September 30 and March 31, the CAS detailing the holdings across all Schemes of all mutual funds, shall be emailed at the registered email address of the unitholders on half yearly basis, on or before twenty first day of succeeding month, unless a specific request is made to receive the same in physical form. The asset management company shall issue units in dematerialized form to a unit holder in a scheme within two business days of the receipt of request from the unit holder.

	Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme. Further, CAS shall be issued for the half-year (September/ March). 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. In case of the units are held in dematerialized (demat) form, the statement of holding of the beneficiary account holder will be sent by the respective Depository Participant periodically. The dispatch of CAS by the depositories would constitute compliance by the AMC/ the Mutual Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations. The AMC reserves the right to furnish the account statement in addition to the CAS, if deemed fit in the interest of investor(s). Detailed provisions pertaining to CAS are also mentioned in SAI.
IDCW	The payment of IDCW to the unitholders shall be made within seven business days from the record date.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. Further, AMFI has published a list of exceptional circumstances for schemes unable to transfer redemption or repurchase proceeds to investors within the limit specified above for transfer of redemption or repurchase proceeds to the unitholders in such exceptional circumstances. The said list is available on AMFI website.
Bank Mandate	No bank account shall be registered in the investor account as part of account opening or subsequent addition or change of bank request unless a validation is undertaken

	through any one of the following modes whereby the investors name, account number /details are verified. In this regard, any one of the following documents needs to be submitted. 1. Original cancelled cheque having the First Holder Name and bank account number printed on the cheque. 2. Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application. 3. Self-certified cheque copy/bank passbook and verified with the original by AMC/ RTA. 4. Photocopy of the bank statement duly attested by the bank manager/ authorized personnel with designation, employee number and bank seal. 5. Photocopy of the bank pass book duly attested by the bank manager/ authorized personnel with designation, employee number and bank seal. 6. Confirmation by the bank manager with seal, designation and employee number on the bank's letter head confirming the name of investor, account type, bank branch, MICR and IFSC code of the bank branch. The letter should not be older than 3 months. In case the bank account details are not mentioned or found to be incomplete or invalid in a purchase application, then the AMC may consider the account details as appearing in the investment amount cheque and the same shall be updated under the folio as the payout bank account for the payment of redemption/IDCW amount etc. AMC reserves the right to validate the details through PAN based account validation facility provided by NCPI or Penny Drop facility. Where the bank mandate cannot be validated by any of the stated methods, the bank account validation may be done on the basis of the cheque leaf if it is available. If the bank account details cannot be validated, AMC reserves the right to reject the application and in case of redemption, the

	payout will be issued by way of warrant/cheque. The AMC reserves the right to call for any additional documents as may be required, for processing of such transactions with missing/ incomplete/ invalid bank account details. The AMC also reserves the right to reject such applications. **Bank Account Details:** As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units. If the Unit-holder fails to provide the Bank mandate, the request for redemption would be considered as not valid and the Scheme retains the right to reject the redemption until a proper bank mandate is furnished by the Unit-holder and the provision with respect of penal interest in such cases will not be applicable. No bank account shall be registered in the investor account or subsequent addition or change in bank request unless a validation is undertaken whereby the investors name, account number/ details are verified
Delay in payment of redemption / repurchase proceeds/IDCW	The Asset Management Company shall be liable to pay interest to the unitholders at @ 15% per annum as specified vide paragraph 14.2 of Master Circular for the period of such delay.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	The treatment of unclaimed redemption & IDCW amount will be as per para 14.3 of the master circular.
Disclosure w.r.t investment by minors	A minor can invest through his/her parent/lawful guardian. For investments in the name of minor through guardian, the payment for investment shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian in accordance with provisions of SEBI Circular dated May 12, 2023. Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of

	the minor i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities. For further details, please refer to SAI\
Ongoing price for subscription purchase/switch-in (from other Schemes/plans of the mutual fund) by investors This is the price you need to pay for purchase/switch-in.	The purchase price of the Units will be based on the Applicable NAV. Purchase Price = Applicable NAV (for respective plan and option of the scheme) Example: An investor invests Rs. 20,000/- and the current NAV is Rs. 20/- then the purchase price will be Rs. 20/- and the investor receives 20000/20 = 1000 units. The Scheme shall not charge any entry load.
Ongoing price for redemption (sale) /switch outs (to other Schemes/plans of the Mutual Fund) by investors This is the price you will receive for redemptions/switch outs.	The Redemption Price of the Units will be based on the Applicable NAV (for respective plan and option of the Scheme) subject to the prevalent exit load provisions. The Redemption Price of the Units will be computed as follows: Redemption Price = Applicable NAV (for respective plan and option of the scheme) * (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. **Example:** An investor invests on April 1, 2019 when the applicable exit load for the scheme was 2% if redeemed within 1 year, else nil. **Scenario 1)** In case investor redeems before April 1, 2020, then applicable exit load would be 2%. Now suppose the same investor decides to redeem his 1000 units. The prevailing NAV is Rs 25/-. Hence, the sale or redemption price per unit becomes Rs. 24.50/- i.e. 25*(1-2%). The investor therefore gets 1000 x 24.50 = Rs. 24,500/-. **Scenario 2)** In case investor redeems on or after April 1, 2020, then applicable exit load would be nil. Now suppose the same investor decides to redeem his 1000 units. The prevailing NAV is Rs 30/-. Hence, the sale or

	redemption price per unit will be Rs. 30/- i.e. 30*(1-0). The investor therefore gets 1000 x 30 = Rs. 30,000/-.
Any other disclosure in terms of Consolidated Checklist on Standard Observations	**Investment by the AMC:** From time to time and subject to the SEBI (Mutual Funds) Regulations, 1996, the sponsors, the mutual funds and investment Companies managed by them, their associate companies, subsidiaries of the sponsors and the AMC may invest either directly or indirectly in the Scheme. The funds managed by associates and/ or the AMC may acquire a substantial portion of the Scheme. Accordingly, redemption of units held by such funds, associates and sponsors may have an adverse impact on the units of the Scheme because the timing of such redemption may impact the ability of other unitholders to redeem their units. Further, as per the SEBI (Mutual Funds) Regulations, 1996, in case the AMC invests in any of the Scheme managed by it, it shall not be entitled to charge any fees on such investments. The Scheme may invest in other Scheme managed by the AMC or in the Scheme of any other Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing SEBI (Mutual Funds) Regulations, 1996 and guidelines. As per the SEBI (Mutual Funds) Regulations, 1996, no investment management fees will be charged for such investments.

II. Other Details

a. Periodic Disclosures

- **Portfolio Disclosures**

- The AMC shall disclose portfolio of the scheme (along with ISIN) as on the last day of the month / half-year within 10 days from the close of each month / half-year respectively and fortnightly disclosure within 5 days from the end of the fortnight, on website of:
  AMC i.e. www.icicipruamc.com
  AMFI i.e. www.amfiindia.com.

- **Annual Report**

The scheme wise annual report shall be hosted on the website of the AMC and on the website of the AMFI soon as may be possible but not later than four months from the date of closure of the relevant accounts year. The AMC shall publish an advertisement every year in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC i.e. www.icicipruamc.com.

The AMC shall display prominently on the AMC's website link of the scheme wise annual report and physical copy of the same shall be made available to the unitholders at the registered / corporate office of the AMC at all times.

- **Half – Yearly Financial Results**
  The AMC shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on their website i.e. www.icicipruamc.com. Further, the AMC shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated.

- **Disclosure on Riskometers and Scheme Summary Document (SSD)**
  In accordance with paragraph 17.4 of the master circular Risk-o-meter shall be evaluated on a monthly basis and Mutual Funds/AMCs shall disclose the Risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme.

  A Scheme Summary Document (SSD) of the Scheme will be made available on the website of the AMC and AMFI. The SSD will be updated in case of any changes.

b. Transaction charges and stamp duty

➢ **Transaction charges:**

With effect from March 1, 2024, no transaction charges to be levied on the investment amount from transactions/applications (including SIPs) received through distributors (i.e. for Regular Plans). Accordingly, payment of transaction charges to the distributors has been discontinued from March 1, 2024.

➢ **Stamp Duty:**

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @ 0.005% of the transaction value would be levied on applicable mutual fund transactions, with effect from July 1, 2020. Accordingly, pursuant to levy

of stamp duty, the number of units allotted on purchase transactions (including IDCW reinvestment) to the unitholders would be reduced to that extent.

c. Transparency/NAV Disclosure

The NAV will be calculated and disclosed at the close of every Business Day. NAV will be determined on every Business Day except in special circumstances. The AMC may at its discretion also declare NAV of the Scheme on any other day in the interest of investors. NAV of the scheme shall be:

- Prominently disclosed by the AMC under a separate head on the AMC's website (www.icicipruamc.com) by 11.00 p.m. on every business day,
- On the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 11.00 p.m. on every business day, and
- Shall be made available at all Customer Service Centres of the AMC.

In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

The AMC shall disclose portfolio of the scheme (along with ISIN) as on the last day of the month / half-year within 10 days from the close of each month / half-year respectively. Further, the AMC shall disclose portfolio of the scheme on a fortnightly basis within 5 days from end of the fortnight. The disclosure shall be on website of:

- AMC i.e. www.icicipruamc.com
- AMFI i.e. www.amfiindia.com.

The scheme Risk-o-meter shall be evaluated on a monthly basis and shall be disclosed along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme.

The AMC shall send via email the fortnightly statement of scheme portfolio within 5 days from the close of each fortnight and the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month / half-year respectively. Mutual Funds/ AMCs shall send the details of the scheme portfolio while communicating the fortnightly, monthly and half-yearly statement of scheme portfolio via email or any other mode as may be communicated by SEBI/AMFI from time to time.

d. Associate Transactions

Please refer to Statement of Additional Information (SAI).

e. Taxation

For details on taxation please refer to the paragraph on Taxation in the SAI apart from the following:

As per the provisions of the Income-tax Act, 1961 ("the Act"), as amended by the Finance Act, 2022:

Period	**Up to March 31, 2023**	**April 01, 2023 onwards**	**Tax rates applicable for Mutual Fund**
Particulars	**Tax rates applicable for Resident Investors** **(Refer note 2)**	**Tax rates applicable for Resident Investors** **(Refer note 2)**	**(other than Equity Oriented Fund and Infrastructure Debt Fund)**
Tax on IDCW	Taxable as per applicable tax rates	Taxable as per applicable tax rates	Nil
Long Term Capital Gains	20%# with Indexation (held for more than 36 months)	NA	Nil
Short Term Capital Gains	Income tax rate applicable to the unit holders as per their income slabs (held for not more than 36 months)	Income tax rate applicable to the unit holders as per their income slabs (irrespective of the holding period)	Nil

Note:

1. Under the terms of the Scheme Information Document, the schemes are classified as "other than equity oriented fund and infrastructure debt fund".
2. Section 50AA as introduced by Finance Act, 2023 deems any gains on transfer / redemption of specified mutual funds acquired on or after 1 April 2023 as short-term capital gains. For the purposes of section 50AA, "specified mutual fund" means a mutual fund by whatever name called, where not more than 35 percent of its total proceeds is invested in the equity shares of domestic companies. The scheme is identified as a"specified mutual fund"
3. Income of the Mutual Fund is exempt from income tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (Act).
4. If the total income of a resident investor (being individual or HUF) [without considering such Long Term Capital Gains / Short Term Capital Gains] is less than the basic exemption limit, then such Long-term capital gains/short-term capital gains should be first adjusted towards basic exemption limit and only excess should be chargeable to tax.
5. Non-resident investors may be subject to a separate of tax regime / eligible to benefits under Tax Treaties, depending upon the facts of the case. The same has not been captured above.

6. A rebate of up to Rs. 12,500 is available for resident individuals whose total income does not exceed Rs. 5,00,000.
7. The Finance Act, 2023 provides a rebate of up to Rs 25,000 for resident individuals opting for taxation under section 115BAC of the Act whose total income does not exceed Rs 700,000.

Excluding applicable surcharge and cess.
For details on Stamp Duty, please refer section 'Units and Offer' mentioned in respective scheme SID.

For further details on taxation please refer to the Section on 'Tax Benefits of investing in the Mutual Fund' provided in 'Statement of Additional Information ('SAI')'

f. Rights of Unitholders

Please refer to SAI for details.

g. List of official points of acceptance/ Additional official transaction acceptance points CAMS Transaction Points):

The details of the points of acceptance/ Additional official transaction acceptance points CAMS Transaction Points) can be accessed at the following link: SID related information (icicipruamc.com)

A. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

The details of such penalties, pending litigations or proceedings, findings of inspections or Investigations for which action may have been taken or is in the process of being taken by any regulatory authority can be accessed at the following link: SID related information (icicipruamc.com)