



**SCHEME INFORMATION DOCUMENT**  
**SECTION I**

**LIC MF Overnight Fund**

(An open-ended debt scheme investing in overnight securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.)

| <b>This product is suitable for investors who are seeking*:</b>                                                                                                                                     | <b>Scheme Riskometer<sup>#</sup></b> | <b>Benchmark Riskometer (as applicable) <sup>#</sup></b>            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Income with high levels of safety and liquidity over short term</li> <li>Investment in debt and money market instruments with overnight maturity.</li> </ul> |                                      | <p>As per AMFI Tier I Benchmark i.e. <b>NIFTY 1D Rate Index</b></p> |

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

*<sup>#</sup>The above Riskometer is based on the Scheme portfolio as on 31<sup>st</sup> October 2025. The Benchmark Riskometer is based on the evaluation of constituents of the Benchmark as on 31<sup>st</sup> October 2025.*

| <b>Potential Risk Class Matrix</b>                                                |                                 |                           |                                  |
|-----------------------------------------------------------------------------------|---------------------------------|---------------------------|----------------------------------|
| <b>Credit Risk →</b>                                                              | <b>Relatively Low (Class A)</b> | <b>Moderate (Class B)</b> | <b>Relatively High (Class C)</b> |
| <b>Interest Rate Risk ↓</b>                                                       |                                 |                           |                                  |
| <b>Relatively Low (Class I)</b>                                                   | <b>*A-I</b>                     |                           |                                  |
| <b>Moderate (Class II)</b>                                                        |                                 |                           |                                  |
| <b>Relatively High (Class III)</b>                                                |                                 |                           |                                  |
| <b>*A-I – A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.</b> |                                 |                           |                                  |

**Continuous offer for Units at NAV based prices (Face Value Rs. 1000 per unit)**

**Name of the Sponsor:** Life Insurance Corporation of India (LIC)

**Name of Mutual Fund:** LIC Mutual Fund

**Name of Asset Management Company:** LIC Mutual Fund Asset Management Limited

**Name of Trustee Company:** LIC Mutual Fund Trustee Private Limited

**Addresses, Website of the entities:**

| <b>Mutual Fund</b>                                                                                                                             | <b>Asset Management Company</b>                                                                                                                                                                                     | <b>Trustee Company</b>                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>LIC Mutual Fund</b><br><br><b>Registered Office:</b><br>4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020. | <b>LIC Mutual Fund Asset Management Limited</b><br><br><b>Registered Office:</b><br>4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020.<br><br><b>CIN No: U67190MH1994PLC077858</b> | <b>LIC Mutual Fund Trustee Private Limited</b><br><br><b>Registered Office:</b><br>4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020.<br><br><b>CIN No: U65992MH2003PTC139955</b> |
| <b>Website: <a href="http://www.licmf.com">www.licmf.com</a></b>                                                                               |                                                                                                                                                                                                                     |                                                                                                                                                                                                                    |

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

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of LIC Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on [www.licmf.com](http://www.licmf.com).

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

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

This Scheme Information Document is dated **27<sup>th</sup> November 2025**.

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**Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME**

| Sr. No. | Title                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I.      | Name of the scheme             | LIC MF Overnight Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| II.     | Category of the Scheme         | Overnight Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| III.    | Scheme type                    | An open-ended debt scheme investing in overnight securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| IV.     | Scheme code                    | LICM/O/D/ONF/19/06/0023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| V.      | Investment objective           | <p>The Scheme aims to provide reasonable returns commensurate with low risk and providing a high level of liquidity, through investments made primarily in overnight securities having maturity/residual maturity of 1 business day.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| VI.     | Liquidity/listing details      | <p>Units may be purchased or redeemed at Net Asset Value (NAV) related prices, subject to applicable Loads/Statutory Levy (if any), on every Business Day on an ongoing basis. Under normal circumstances, the AMC will dispatch Redemption proceeds within three working days from the date of Redemption request.</p> <p>However, in case of exceptional situations listed in AMFI Circular No. AMFI/35P/MEM-COR/74/2022-23 dated 16<sup>th</sup> January 2023, redemption payment would be made within the permitted additional timelines. For details, please refer Statement of Additional Information (SAI).</p> <p>The units of the Scheme are not listed on any Stock Exchange.</p>                                                                                                                                        |
| VII.    | Benchmark (Total Return Index) | <p>NIFTY 1D Rate Index</p> <p>The performance will be benchmarked to Total Returns Variant of the Index.</p> <p><b>Justification for use of Benchmark:</b> The benchmark of the Scheme has been selected in accordance with paragraph 1.9 of SEBI Master Circular for Mutual Funds from amongst those notified by AMFI as the first tier benchmark and the same is reflective of the category of the Scheme.</p> <p>The composition of the aforesaid first tier benchmark is such that it is most suited for comparing the performance of the scheme.</p> <p>The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (Mutual Funds) Regulations, 1996 and other</p> |

|              |                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |                                                                            | prevailing guidelines, if any.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>VIII.</b> | <b>NAV disclosure</b>                                                      | <p>The AMC shall update the NAV of the Scheme on the website of LIC Mutual Fund (www.licmf.com) and on the website of Association of Mutual Funds in India (AMFI) (www.amfiindia.com) by 11.00 p.m. on every Business Day.</p> <p>For further details, please refer Section II.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>IX.</b>   | <b>Applicable timelines</b>                                                | <p><b>Redemption proceeds:</b> Under normal circumstances, the AMC will dispatch Redemption or repurchase proceeds within three working days from the date of Redemption request.</p> <p>However, in case of exceptional circumstances listed in AMFI Circular No. AMFI/35P/MEM-COR/74/2022-23 dated 16<sup>th</sup> January 2023, redemption payment would be made within the permitted additional timelines prescribed. For details, please refer SAI.</p> <p>The payment of IDCW to the unitholders shall be made within seven working days from the record date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>X.</b>    | <b>Plans and Options</b><br>Plans/Options and sub options under the Scheme | <p>The Scheme offers Regular Plan and Direct Plan.</p> <ol style="list-style-type: none"> <li><b>Regular Plan</b> is for investors who wish to route their investment through any distributor</li> <li><b>Direct Plan</b> is only for investors who purchase /subscribe Units in a Scheme directly with the Mutual Fund or through Registered Investment Advisor (RIA) and is not available for investors who route their investments through a Distributor</li> </ol> <p>The Regular and Direct plans have a common portfolio.</p> <p>The Scheme has the following Options:</p> <ol style="list-style-type: none"> <li><b>Growth Option</b></li> <li><b>Income Distribution cum Capital Withdrawal (IDCW) Option#</b></li> </ol> <p><b>IDCW Sub Options are:</b></p> <ol style="list-style-type: none"> <li>Reinvestment of Income Distribution cum Capital Withdrawal (Daily, Weekly and Periodic Frequency)</li> <li>Payout of Income Distribution cum Capital Withdrawal (Periodic Frequency)</li> </ol> <p><b>Default Option/sub option</b> - Growth Option (In case Growth Option or IDCW Option/sub option is not indicated)</p> <p><b>Default IDCW Frequency:</b> Daily IDCW</p> <p><i>#Amounts under IDCW option can be distributed out of investors capital (equalization reserve), which is part of sale price that</i></p> |

|                                                     |                                                                                              | <p><i>represents realized gains. However, investors are requested to note that amount of distribution under IDCW option is not guaranteed and subject to availability of distributable surplus.</i></p> <p><b>Record date:</b><br/>The record date for daily and weekly IDCW Option is as follows:</p> <table><tr><th>Options</th><th>Sub-<br/>options/Facility</th><th>Frequency of<br/>Income<br/>Distribution<br/>cum capital<br/>withdrawal</th><th>Record Date</th></tr><tr><td rowspan="2">Income<br/>Distribution<br/>cum capital<br/>withdrawal</td><td>Daily<br/>(Reinvestment<br/>of Income<br/>Distribution<br/>cum capital<br/>withdrawal<br/>option)</td><td>Daily</td><td>All Days</td></tr><tr><td>Weekly<br/>(Reinvestment<br/>of Income<br/>Distribution<br/>cum capital<br/>withdrawal<br/>option)</td><td>Weekly</td><td>Every<br/>Tuesday<br/>(succeeding<br/>Business<br/>Day if<br/>Tuesday is<br/>a holiday)</td></tr></table> <p><b>Please note that the Income Distribution cum capital withdrawal shall be distributed at the discretion of the Trustees subject to availability of distributable surplus.</b></p> <p><b>For detailed disclosure on default plans and options, kindly refer SAI.</b></p> | Options                                                                           | Sub-<br>options/Facility | Frequency of<br>Income<br>Distribution<br>cum capital<br>withdrawal | Record Date | Income<br>Distribution<br>cum capital<br>withdrawal | Daily<br>(Reinvestment<br>of Income<br>Distribution<br>cum capital<br>withdrawal<br>option) | Daily | All Days | Weekly<br>(Reinvestment<br>of Income<br>Distribution<br>cum capital<br>withdrawal<br>option) | Weekly | Every<br>Tuesday<br>(succeeding<br>Business<br>Day if<br>Tuesday is<br>a holiday) |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------------------|-------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------|-------|----------|----------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------|
| Options                                             | Sub-<br>options/Facility                                                                     | Frequency of<br>Income<br>Distribution<br>cum capital<br>withdrawal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Record Date                                                                       |                          |                                                                     |             |                                                     |                                                                                             |       |          |                                                                                              |        |                                                                                   |
| Income<br>Distribution<br>cum capital<br>withdrawal | Daily<br>(Reinvestment<br>of Income<br>Distribution<br>cum capital<br>withdrawal<br>option)  | Daily                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | All Days                                                                          |                          |                                                                     |             |                                                     |                                                                                             |       |          |                                                                                              |        |                                                                                   |
|                                                     | Weekly<br>(Reinvestment<br>of Income<br>Distribution<br>cum capital<br>withdrawal<br>option) | Weekly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Every<br>Tuesday<br>(succeeding<br>Business<br>Day if<br>Tuesday is<br>a holiday) |                          |                                                                     |             |                                                     |                                                                                             |       |          |                                                                                              |        |                                                                                   |
| XI.                                                 | Load Structure                                                                               | <p><b>Exit Load: NIL</b></p> <p>Load shall be applicable for switches between eligible schemes of LIC Mutual Fund as per the respective prevailing load structure, however, no load shall be charged for switches between plans/options within the Schemes of LIC Mutual Fund.</p> <p>In accordance with paragraph 10.6 of SEBI Master Circular for Mutual Funds, no exit load shall be charged on bonus units and units allotted on reinvestment of dividend.</p> <p>In accordance with Paragraph 10.3.4 of SEBI Master Circular for Mutual Funds the exit load, if any, charged by mutual fund Scheme shall be credited to the Scheme net of GST.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                   |                          |                                                                     |             |                                                     |                                                                                             |       |          |                                                                                              |        |                                                                                   |

|               |                                                                                                                     |                                                                                                                                                                                                                                                                                                                                     |
|---------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                                                                                                     | The Trustees shall have a right to modify the exit load structure with prospective effect subject to a maximum prescribed under the Regulations.                                                                                                                                                                                    |
| <b>XII.</b>   | <b>Minimum Application Amount/switch in</b>                                                                         | Application Amount (Other than fresh purchase through SIP) – Rs.5,000/-and in multiples of Rs.1 thereafter.<br><br>SIP Amount –<br>1. Daily- – Rs.100/- and in multiples of Rs.1/- thereafter.<br>2. Monthly – Rs. 200/- and in multiples of Rs.1/- thereafter.<br>3. Quarterly – Rs. 1,000/- and in multiples of Rs.1/- thereafter |
| <b>XIII.</b>  | <b>Minimum Additional Purchase Amount</b>                                                                           | Additional Purchase – Rs.500/- and in multiples of Rs.1/- thereafter                                                                                                                                                                                                                                                                |
| <b>XIV.</b>   | <b>Minimum Redemption/switch out amount</b>                                                                         | Redemption Amount – Rs.500/- and in multiples of Rs.1/- thereafter or account balance whichever is lower (except demat units).                                                                                                                                                                                                      |
| <b>XV.</b>    | <b>New Fund Offer Period</b><br>This is the period during which a new scheme sells its units to the investors.      | Not Applicable                                                                                                                                                                                                                                                                                                                      |
| <b>XVI.</b>   | <b>New Fund Offer Price:</b><br>This is the price per unit that the investors have to pay to invest during the NFO. | Not Applicable                                                                                                                                                                                                                                                                                                                      |
| <b>XVII.</b>  | <b>Segregated portfolio/side pocketing disclosure</b>                                                               | No enabling provision with regards to Segregated Portfolio has been incorporated in the SID.                                                                                                                                                                                                                                        |
| <b>XVIII.</b> | <b>Swing pricing disclosure</b>                                                                                     | Not Applicable as the Scheme is an Overnight Fund.                                                                                                                                                                                                                                                                                  |
| <b>XIX.</b>   | <b>Stock lending/short selling</b>                                                                                  | The Scheme will not engage in Short Selling and securities lending and borrowing.                                                                                                                                                                                                                                                   |
| <b>XX.</b>    | <b>How to Apply and other details</b>                                                                               | Application form and Key Information Memorandum may be obtained from the offices of the AMC or Investor Services Centers of the Registrar and Transfer Agents (RTA) or downloaded from <a href="http://www.licmf.com">www.licmf.com</a> .<br><br>For further details, please refer paragraph “How to apply?” in Section II.         |
| <b>XXI.</b>   | <b>Investor Services</b>                                                                                            | <b>Contact details for general service requests:</b><br><br>For enquires/service requests etc. the investors may contact:<br>Toll Free number: 1800-258-5678 (Monday to Saturday, 9.00 am to 6.30 pm) or send an e-mail to: <a href="mailto:service_licmf@kfintech.com">service_licmf@kfintech.com</a> .                            |

|        |                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                                                                           | <p><b>Contact details for complaint resolution:</b></p> <p>For Feedback/Complaints/Grievances, you can email us at our email ID redressal@licmf.com. If you are not satisfied with the resolution that you have received, you may contact our Investor Relations Officer at the below mentioned address:</p> <p>Ms. Srividya Baliga, Investor Relations Officer<br/>4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai – 400 020.<br/>Email: redressal@licmf.com<br/>Toll Free Number - 1800 258 5678</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| XXII.  | <b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</b> | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| XXIII. | <b>Special product/facility available on ongoing basis</b>                                                                                | <p><b>SPECIAL PRODUCTS:</b></p> <ul style="list-style-type: none"> <li>• Systematic Investment Plan (including SIP Pause, SIP STEP UP Facility, MICRO SIP, Pocket SIP)</li> <li>• Systematic Transfer Plan (Fixed Systematic Transfer Plan and Capital Appreciation STP facility)</li> <li>• Systematic Withdrawal Plan (Monthly, Quarterly, Half Yearly and Yearly Option)</li> <li>• Insta Redemption Facility</li> <li>• Automatic withdrawal of Capital Appreciation</li> </ul> <p>The Investors have an option to cancel the SIP, STP/SWP, for details in this regard, please refer Statement of Additional Information.</p> <p><b>SPECIAL FACILITIES:</b></p> <ul style="list-style-type: none"> <li>• Facility to transfer Dividend (IDCW)</li> <li>• Acceptance of Transactions through Online platforms viz., <ul style="list-style-type: none"> <li>• AMC Website – <a href="http://www.licmf.com">www.licmf.com</a></li> <li>• MF Central</li> <li>• MF Utilities</li> <li>• Stock Exchanges (NSE/ BSE)</li> <li>• Registrar and Transfer Agent platforms</li> </ul> </li> </ul> <p>For further details of above special products / facilities, kindly refer SAI.</p> |
| XXIV.  | <b>Weblink</b>                                                                                                                            | <ul style="list-style-type: none"> <li>• <b>Weblink of the Total Expense Ratio of the Scheme (Daily TER and last 6 months TER):</b> <a href="https://www.licmf.com/sid-disclosure">https://www.licmf.com/sid-disclosure</a></li> <li>• <b>Weblink of the Factsheet:</b> <a href="https://www.licmf.com/sid-disclosure">https://www.licmf.com/sid-disclosure</a></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## **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 and that there are no deviations from the regulations.
- (vi) The AMC has complied with the compliance checklist applicable for Scheme Information Document. Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.
- (vii) The Trustees have ensured that LIC MF Overnight Fund approved by them is a new product offered by LIC Mutual Fund and is not a minor modification of its existing Schemes.

**LIC Mutual Fund Asset Management Limited**

**PLACE: Mumbai**

**DATE: 27<sup>th</sup> November 2025**

**Sd/-**

**Mayank Arora**

**Chief Compliance Officer & Company Secretary**

## Part II. INFORMATION ABOUT THE SCHEME

### A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation of the Scheme would be as follows:

| Instruments                                                                           | Indicative allocations (% of total assets) |         |
|---------------------------------------------------------------------------------------|--------------------------------------------|---------|
|                                                                                       | Minimum                                    | Maximum |
| Overnight securities or debt instruments* maturing on or before the next business day | 0                                          | 100     |

**Overnight Securities:** Debt and money market instruments with overnight interest rate risk such as debt instruments with one business day residual maturity or where the interest rate is reset on a daily basis. Overnight securities include synthetic overnight positions such as reverse repo/tri-party repo transactions where the interest rate is reset every business day.

\*Instruments with residual maturity not greater than 1 business day, including money market instruments<sup>^</sup>, Triparty Repo<sup>#</sup>/ reverse repo with overnight maturity.

<sup>^</sup>Commercial papers, commercial bills, treasury bills, call or notice money, certificate of deposit, usance bill and any other like instruments as specified by the Reserve Bank of India from time to time.

<sup>#</sup>or similar instruments as may be permitted by RBI/SEBI

The Scheme may invest upto 5% of the net assets of the scheme in G-secs and/or T-bills with a residual maturity of upto 30 days for the purpose of placing the same as margin and collateral for certain transactions

\*The Cumulative Gross Exposure to Debt, Money Market instruments with residual maturity not greater than 1 business day and such other securities as may permitted by SEBI from time to time, will not exceed 100% of the Net Assets of the Scheme.

#### **Indicative Table**

| Sl. no | Type of Instrument                                                                                                                  | Percentage of exposure | Circular references |
|--------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------|
| 1.     | Securities Lending                                                                                                                  | Nil                    | Not applicable      |
| 2.     | Derivatives (Debt)<br><br>(Investment in derivatives shall be for hedging, portfolio balancing, non-hedging purposes and such other | Nil                    | Not applicable      |

|    |                                                                             |                                                                                                                                                                                                                                                                                        |                                                                                                                                    |
|----|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
|    | purposes as may be permitted from time to time)                             |                                                                                                                                                                                                                                                                                        |                                                                                                                                    |
| 3. | Securitized Debt                                                            | Upto 10% of the net assets of the Scheme                                                                                                                                                                                                                                               | Clause 1 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996 and paragraph 12.15 of SEBI Master Circular for Mutual Funds |
| 4. | Overseas Securities                                                         | Nil                                                                                                                                                                                                                                                                                    | Not applicable                                                                                                                     |
| 5. | ReITS and InVITS                                                            | Nil                                                                                                                                                                                                                                                                                    | Not applicable                                                                                                                     |
| 6. | AT1 and AT2 Bonds                                                           | Nil                                                                                                                                                                                                                                                                                    | Not applicable                                                                                                                     |
| 7. | Any other instrument                                                        |                                                                                                                                                                                                                                                                                        |                                                                                                                                    |
|    | Triparty Repo (TREPS)                                                       | As per the asset allocation pattern prescribed above.                                                                                                                                                                                                                                  | -                                                                                                                                  |
|    | Mutual Fund units                                                           | The Scheme may invest upto 5% of the NAV of the Mutual Fund in liquid funds for overnight deployment.                                                                                                                                                                                  | Clause 4 of Seventh Schedule of SEBI Mutual Fund Regulations, 1996                                                                 |
|    | Repo/ reverse repo transactions in corporate debt securities                | The gross exposure to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme. Further the amount lent to counter-party under repo transaction in corporate debt securities will be included in single issuer debt instrument limit. | Paragraph 12.18 of SEBI Master Circular for Mutual Funds                                                                           |
|    | Short Term Deposits of Scheduled Commercial Banks – pending deployment      | Nil                                                                                                                                                                                                                                                                                    | Not applicable                                                                                                                     |
|    | Debt Instruments with Structured Obligations (SO) / Credit Enhancement (CE) | Nil                                                                                                                                                                                                                                                                                    | Not applicable                                                                                                                     |
|    | Credit Default Swaps                                                        | Nil                                                                                                                                                                                                                                                                                    | Not applicable                                                                                                                     |
|    | Covered call option                                                         | Nil                                                                                                                                                                                                                                                                                    | Not applicable                                                                                                                     |
|    | Corporate Debt Market Development Fund                                      | Nil                                                                                                                                                                                                                                                                                    | Not applicable                                                                                                                     |

### **Portfolio rebalancing:**

The AMC reserves the right to change the asset allocation pattern in the interest of the investors depending on the market conditions for a short-term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 7 business days. If owing to adverse market conditions or with the view to protect the interest of the investors, the fund manager is not able to rebalance the asset allocation within the above-mentioned period of 7 business days, the same shall be reported to the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the future course of action.

### **B. WHERE WILL THE SCHEME INVEST?**

The corpus of the Scheme, subject to the enabling provisions of asset allocation pattern, will be invested in Overnight securities or debt instruments maturing on or before the next business day and securities/ instruments with residual maturity not greater than 1 business day\* which shall include:

#### **A. Debt and Money Market Instruments.**

1. Government Debt including Treasury Bills and Securities created and issued by the Central and State Governments
2. Triparty Repo (TREPS)
3. Certificate of Deposit (CD)
4. Commercial Paper (CP)
5. Repo/ Reverse Repo
6. Securitised Debt
7. Mutual Fund units
8. Call or notice money
9. Usance bills

#### **B. Such other securities/assets as may be permitted by SEBI from time to time.**

\* The Scheme may invest upto 5% of the net assets of the scheme in G-secs and/or T-bills with a residual maturity of upto 30 days for the purpose of placing the same as margin and collateral for certain transactions.

The Scheme may undertake interscheme transfers subject to compliance of the provisions of Paragraph 12.30 of SEBI Master Circular for Mutual Funds.

Investments in Instruments stated above will be as per the limits specified in the asset allocation table as mentioned subject to restrictions / limits laid under SEBI (Mutual Funds) Regulations 1996 mentioned under section 'WHAT ARE THE INVESTMENT RESTRICTIONS?'

### **C. WHAT ARE THE INVESTMENT STRATEGIES?**

The investment objective of the Scheme is to generate returns by investing primarily in debt and money market instruments with overnight maturity. The Scheme will follow an active investment strategy.

The total assets of the Scheme will be invested in debt securities and money market instruments maturing on or before next Business Day. Investments under the Scheme would be made predominantly in Tri Party Repos, overnight reverse repos and fixed income securities/instruments with a residual maturity of 1 business day. However, the Scheme may invest upto 5% of the net assets of the scheme in G-secs and/or T-bills with a residual maturity of upto 30 days for the purpose of placing the same as margin and collateral for certain transactions.

## **DEBT AND MONEY MARKETS IN INDIA:**

The instruments available in Indian Debt Market are classified into two categories, namely Government and Non - Government debt. The following instruments are available in these categories:

### **A] Government Debt**

- Central Government Debt • Zero Coupon Bonds • Treasury Bills • State Government Debt • Dated Government Securities • State Government Loans • Coupon Bearing Bonds • Floating Rate Bonds

### **B] Non-Government Debt**

- Instruments issued by Government Agencies and other Statutory Bodies • Instruments issued by Banks and Development Financial institutions • Government Guaranteed Bonds • PSU Bonds • Instruments issued by Public Sector Undertakings • Instruments issued by Corporate Bodies • Fixed Coupon Bonds • Floating Rate Bonds • Zero Coupon Bonds • Certificates of Deposit • Promissory Notes • Commercial Paper • Non-Convertible Debentures • Fixed Coupon Debentures • Floating Rate Debentures • Zero Coupon Debentures

### **Certificate of Deposit (CD):**

Certificate of Deposit (CD) is a negotiable money market instrument issued by scheduled commercial banks (SCBs) and select All India Financial Institutions (FIs), within their umbrella limit. The scheme introduced by RBI allows these institutions to mobilize bulk deposits from the market, which they can have at competitive rates of interest. The maturity period of CDs issued by the SCBs is between 7 days to 1 year. CDs also are issued at a discount to face value and can be traded in secondary market. Duplicate can be issued after giving a public notice & obtaining indemnity.

### **Triparty Repo (TREPS):**

"Triparty repo" means a repo contract where a third entity (apart from the borrower and lender), called a Tri- Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction. TREPS facilitates, borrowing and lending of funds, in Triparty Repo arrangement.

### **Commercial Paper (CP):**

Commercial Paper (CP) is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and All India Financial Institutions as an alternative source of short- term borrowings. CP is traded in secondary market and can be freely bought and sold before maturity. CP can be issued for maturities between a minimum of 15 days and a maximum up to 1 year from the date of issue.

### Non Convertible Debentures and Bonds

Non convertible debentures as well as bonds are securities issued by companies / institutions promoted / owned by the Central or State Governments and statutory bodies which may or may not carry a guarantee. Nonconvertible debentures are unsecured bonds that cannot be converted to company equity or stock. Nonconvertible debentures usually have higher interest rates than convertible debentures. These instruments may be secured or unsecured against the assets of the Company and generally issued to meet the short term and long term fund requirements.

### Debt Instruments

Activity in the Primary and Secondary Market is dominated by Central Govt. Securities including Treasury Bills.

In the money market, activity levels of the Government and Non-Government Debt vary from time to time. Instruments that comprise a major portion of money market activity include Overnight Call, Triparty Repo, Treasury Bills, Government Securities with a residual maturity of less than 1 year, Commercial Papers, Certificate of Deposit.

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

**Currently the indicative yields for some of the money market instruments are as follows:**

| INSTRUMENTS             | INDICATIVE YIELDS (%)         |
|-------------------------|-------------------------------|
|                         | 31 <sup>st</sup> October 2025 |
| Call Rate               | 5.57                          |
| Triparty Repo           | 5.47                          |
| Certificate of Deposit  |                               |
| 3 Months                | 6.01                          |
| 6 Months                | 6.25                          |
| 1 Year                  | 6.42                          |
| Commercial Paper (NBFC) |                               |
| 3 Months                | 6.65                          |
| 6 Months                | 6.85                          |
| 1 Year                  | 6.95                          |
| Treasury Bills          |                               |
| 91 Days                 | 5.44                          |
| 364 Days                | 5.57                          |
| Government Securities   |                               |
| 1 Year                  | 5.65                          |
| 2 Year                  | 5.72                          |
| Corporate Bonds         |                               |
| 1 Year                  | 6.65                          |

**Source** – Bloomberg and CRISIL/ICRA

**Note:** The above rates are indicative and are subject to fluctuations in general interest rates and market conditions

#### **D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

NIFTY 1D Rate Index

The performance will be benchmarked to Total Returns Variant of the Index.

Justification for use of Benchmark: The benchmark of the Scheme has been selected in accordance with paragraph 1.9 of SEBI Master Circular for Mutual Funds from amongst those notified by AMFI as the first tier benchmark and the same is reflective of the category of the Scheme.

The composition of the aforesaid first tier benchmark is such that it is most suited for comparing the performance of the scheme.

The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (Mutual Funds) Regulations, 1996 and other prevailing guidelines, if any.

#### **E. WHO MANAGES THE SCHEME?**

| <b>Name and Age of the Fund Manager</b>                                                 | <b>Educational Qualification</b>                                                                                 | <b>Experience (last 10 years' experience)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Name of other Schemes managed by the Fund Manager</b>                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Rahul Singh<br>(43 years)<br>(Managing this scheme from 18 <sup>th</sup> July 2019) | <ul style="list-style-type: none"> <li>• Bsc. Economics Hons.,</li> <li>• PGDM (MBA) – IIMA Ahmedabad</li> </ul> | <p>Around 21 years of experience in Financial Services Industry</p> <ul style="list-style-type: none"> <li>• Senior Fund Manager, Fixed Income – LIC Mutual Fund (w.e.f. 17/05/2021)</li> <li>• Fund Manager, Fixed Income - LIC Mutual Fund (07/09/2015 – 16/05/2021)</li> <li>• Dealer - Fixed Income - BOI AXA Investment Managers (August 2009 – August 2015)</li> <li>• Credit Analyst – ING Investment Management (May 2008 – August 2009)</li> <li>• Internship – Standard Chartered Bank (April 2007 – May 2007)</li> </ul> | <ul style="list-style-type: none"> <li>• LIC MF Liquid Fund</li> <li>• LIC MF Low Duration Fund</li> <li>• LIC MF Ultra Short Duration Fund</li> <li>• LIC MF Balanced Advantage Fund (Debt Portfolio)</li> <li>• LIC MF Money Market Fund</li> <li>• LIC MF Short Duration Fund</li> <li>• LIC MF Banking &amp; PSU Fund</li> <li>• LIC MF Medium to Long Duration Fund</li> <li>• LIC MF Gilt Fund</li> <li>• LIC MF Nifty 8-13 year G-Sec ETF</li> </ul> |

| <b>Name and Age of the Fund Manager</b>                                                                     | <b>Educational Qualification</b>                                                                   | <b>Experience (last 10 years' experience)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Name of other Schemes managed by the Fund Manager</b>               |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|                                                                                                             |                                                                                                    | <ul style="list-style-type: none"> <li>• Research Analyst – Ashika Capital (Jan 2004 to April 2006)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |
| <p>Mr. Aakash Dhulia</p> <p>(32 years)</p> <p>(Managing this scheme from 1<sup>st</sup> September 2025)</p> | <ul style="list-style-type: none"> <li>• PGDBM Finance</li> <li>• BE (Computer Science)</li> </ul> | <p>Around 8 years of experience in Financial Services Industry</p> <ul style="list-style-type: none"> <li>• Fund Manager – Fixed Income – LIC Mutual Fund Asset Management Limited (With effect from 1st September 2025)</li> <li>• Fixed Income Dealer - LIC Mutual Fund Asset Management Ltd. (8th September 2023 – 31st Aug 2025 till )</li> <li>• Debt Dealer - IndiaFirst Life Insurance Co Ltd (June 2021 – September 2023)</li> <li>• Treasury Sales - STCI Primary Dealer Ltd (May 2019 – May 2021)</li> <li>• Wholesale Debt Market Dealing - Almondz Global Securities Ltd (February 2017 – May 2019)</li> </ul> | <ul style="list-style-type: none"> <li>• LIC MF Liquid Fund</li> </ul> |

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

The Scheme being an open ended Debt Scheme the detailed comparison of the Scheme with other Debt Schemes (list given below) of LIC Mutual Fund is available at the below mentioned link

**Weblink:** <https://www.licmf.com/sid-disclosure>

### **List of existing Debt Schemes:**

- 1) LIC MF Liquid Fund
- 2) LIC MF Money Market Fund
- 3) LIC MF Low Duration Fund
- 4) LIC MF Ultra Short Duration Fund
- 5) LIC MF Short Duration Fund
- 6) LIC MF Medium to Long Duration Fund
- 7) LIC MF Banking & PSU Fund
- 8) LIC MF Gilt Fund

## **G. HOW HAS THE SCHEME PERFORMED**

### **Regular Plan- Growth Option**

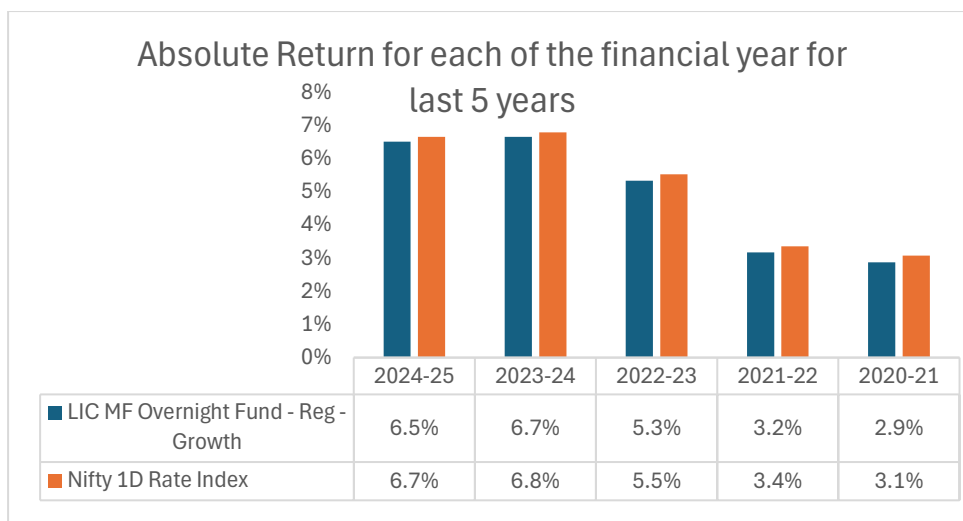
| <b>Compounded Annualised Returns</b> | <b>Scheme Returns (%)^</b> | <b>First Tier Benchmark Returns (%) Nifty 1D Rate Index)</b> |
|--------------------------------------|----------------------------|--------------------------------------------------------------|
| <b>Returns for the last 1 year</b>   | 6.00                       | 6.12                                                         |
| <b>Returns for the last 3 years</b>  | 6.33                       | 6.49                                                         |
| <b>Returns for the last 5 years</b>  | 5.17                       | 5.34                                                         |
| <b>Returns since inception</b>       | 4.95                       | 5.11                                                         |

**Returns are as on 30<sup>th</sup> September 2025**

<sup>^</sup> Date of Inception/ Allotment – 18<sup>th</sup> July 2019

Different plans shall have a different expense structure. The returns are calculated based on Compounded Annualized Growth returns (CAGR) and date of inception is deemed to be date of allotment. The performance of the Scheme is benchmarked to the Total Return variant of the Index. Past performance may or may not be sustained in the future.

**Absolute Returns for each financial year for the last 5 years – Regular Plan – Growth Option**



Past performance may or may not be sustained in the future.

#### **Direct Plan- Growth Option**

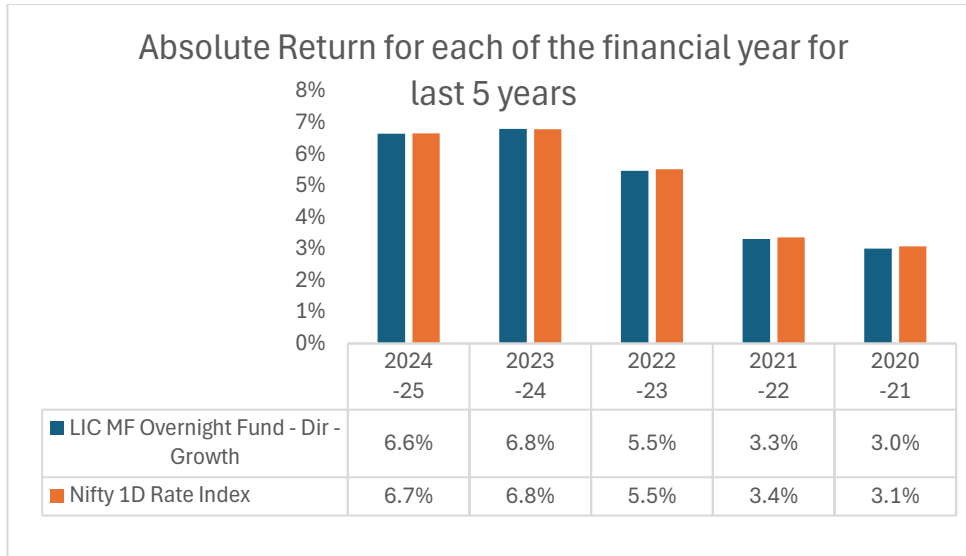
| Compounded Annualised Returns | Scheme Returns (%)^ | First Tier Benchmark Returns (%) Nifty 1D Rate Index) |
|-------------------------------|---------------------|-------------------------------------------------------|
| Returns for the last 1 year   | 6.12                | 6.12                                                  |
| Returns for the last 3 years  | 6.46                | 6.49                                                  |
| Returns for the last 5 years  | 5.30                | 5.34                                                  |
| Returns since inception       | 5.08                | 5.11                                                  |

#### **Returns are as on 30<sup>th</sup> September 2025**

^ Date of Inception/ Allotment – 18<sup>th</sup> July 2019

Different plans shall have a different expense structure. The returns are calculated based on Compounded Annualized Growth returns (CAGR) and date of inception is deemed to be date of allotment. The performance of the Scheme is benchmarked to the Total Return variant of the Index. Past performance may or may not be sustained in the future.

#### **Absolute Returns for each financial year for the last 5 years – Direct Plan – Growth Option**



Past performance may or may not be sustained in the future.

## H. ADDITIONAL SCHEME RELATED DISCLOSURES

- i. **Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors) - <https://www.licmf.com/sid-disclosure>**
- ii. **Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds –Not applicable**
- iii. **Functional website link for Portfolio Disclosure –**

| Sr. No. | Frequency of disclosure | Weblink                                                                                 |
|---------|-------------------------|-----------------------------------------------------------------------------------------|
| 1       | Fortnightly Portfolio   | <a href="https://www.licmf.com/sid-disclosure">https://www.licmf.com/sid-disclosure</a> |
| 2       | Monthly Portfolio       | <a href="https://www.licmf.com/sid-disclosure">https://www.licmf.com/sid-disclosure</a> |
| 3       | Half Yearly Portfolio   | <a href="https://www.licmf.com/sid-disclosure">https://www.licmf.com/sid-disclosure</a> |

- iv. **Portfolio Turnover Rate (as on 30<sup>th</sup> September 2025): Not applicable**

- v. **Aggregate investment in the Scheme by:**

| Sr. No. | Category of Persons (Fund Manager) | Net Value |              | Market Value as on 30 <sup>th</sup> September 2025 |
|---------|------------------------------------|-----------|--------------|----------------------------------------------------|
|         |                                    | Units     | NAV per unit |                                                    |
| NIL     |                                    |           |              |                                                    |

Please refer Statement of Additional Information, for disclosure with respect to investments by key personnel and AMC directors.

#### **vi. Investments of AMC in the Scheme**

The AMC may invest in the Scheme subject to the SEBI (MF) Regulations. However, the AMC will not charge Investment Management and Advisory fees on the investment made by it in the Scheme.

The market value of investment made by the AMC in the Scheme (if any) as on 30<sup>th</sup> September 2025 is available at <https://www.licmf.com/sid-disclosure>

## Part III- OTHER DETAILS

### A. COMPUTATION OF NAV

The Net Asset Value (NAV) per unit of the Scheme will be computed by dividing the net assets of the Scheme by the number of units outstanding under the Scheme on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (Mutual Funds) Regulations, 1996 or such norms as may be specified by SEBI from time to time.

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

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

The NAV of the Scheme will be calculated and disclosed at the close of every Business Day. Separate NAV will be calculated and announced for each of the Options of the respective Plan(s) at the close of every Business Day. The NAV will be calculated upto 4 decimals. Units will be allotted upto 3 decimals.

**Illustration of NAV:** If the net assets of the Scheme, after considering applicable expenses, are Rs.10,05,55,700 and units outstanding are 1,00,00,000 then the NAV per unit will be computed as follows: Rs. 10,05,55,700 / 1,00,00,000 units = Rs. 10.0556 per unit (rounded off to four decimals).

#### a) Methodology of calculating sale price

The price or NAV a unitholder is charged while investing in Scheme is called sale or subscription price. Pursuant to paragraph 10.4.1.a of SEBI Master Circular for Mutual Funds, no entry load will be charged by the Scheme to the unitholders. Therefore,

Sale/Subscription price = Applicable NAV (subject to Statutory levies applicable, if any.)

**For Example:** An investor invests Rs. 20,000/- and the current NAV is Rs. 20/- then the sale/subscription price will be Rs. 20/- and the investor will receive  $20000/20 = 1000$  units

#### b) Methodology of calculating repurchase price

Repurchase or redemption price is the price or NAV at which scheme purchases or redeems its units from the Unitholders. It may include exit load, if applicable. The exit load, if any, shall be charged as a percentage of Net Assets Value (NAV) i.e. applicable load as a percentage of NAV will be deducted from the "Applicable NAV" to calculate the repurchase price. Therefore,

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

**For example,** If the Applicable NAV of the Scheme is Rs.10 and the Exit Load applicable at the time of investment is 2% if redeemed before completion of 1 year from the date of allotment of units and the unitholder redeems units before completion of 1 year, then the repurchase or redemption price will be: Rs.  $10 * (1-0.02) = \text{Rs.}9.80$ .

The Redemption Price will not be lower than 97% of the NAV or as permitted / prescribed under the SEBI (Mutual Funds) Regulations, 1996 from time to time.

Please refer Statement of Additional Information for details such as policies with respect to computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc.

## B. NEW FUND OFFER (NFO) EXPENSES

This section does not apply to the Scheme, as the ongoing offer of the Scheme has commenced after the

NFO, and the Units are available for continuous subscription and redemption.

## C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that upto 2.00% 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 AMC.

| Expense Head                                                                                                                       | % p.a. of daily Net Assets (Estimated p.a.) |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Investment Management & Advisory Fee                                                                                               | 2.00%                                       |
| Audit fees/fees and expenses of trustees                                                                                           |                                             |
| Custodial Fees                                                                                                                     |                                             |
| Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants               |                                             |
| Marketing & Selling Expenses including Agents Commission and statutory advertisement                                               |                                             |
| Costs related to investor communication                                                                                            |                                             |
| Costs of fund transfer from location to location                                                                                   |                                             |
| Cost towards investor education & awareness (2 bps)                                                                                |                                             |
| Brokerage & transaction cost (inclusive of GST) over and above 12 bps and 5 bps for cash and derivative market trades respectively |                                             |
| Goods & Services Tax on expenses other than investment and advisory fees**                                                         |                                             |
| Goods & Services Tax on brokerage and transaction cost                                                                             |                                             |
| Other Expenses (As per Reg 52 of SEBI (Mutual Funds) Regulations)                                                                  |                                             |
| <b>Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c)</b>                                                  | 2.00%                                       |
| Additional expenses under Regulations 52(6A)(c)\$                                                                                  | 0.05%                                       |

\*\* Mutual funds /AMCs may charge GST on investment and advisory fees to the scheme in addition to the maximum limit of TER as prescribed in regulation 52 of the Regulations.

\$ In terms of paragraph 10.1.7 of SEBI Master Circular for Mutual Funds, in case exit load is not levied/not applicable, the AMC shall not charge the said additional expenses.

The above indicative expenses would be applicable to respective plans as mentioned in the above table.

The purpose of the above table is to assist the investor in understanding the various costs & expenses that the investor in the Schemes will bear directly or indirectly.

Expense Structure for Direct Plan - The annual recurring expenses will be within the limits specified under the SEBI (Mutual Funds) Regulations, 1996.

The fund shall update the current expense ratios on the website ([www.licmf.com](http://www.licmf.com)) at least three working days prior to the effective date of the change. The exact web link for TER is <https://www.licmf.com/downloads/total-expense-ratio>.

The recurring expenses of the Scheme (including the Investment Management and Advisory Fees) shall be as per the maximum permissible limits prescribed under the SEBI (Mutual Funds) Regulations. These are as follows:

| Slab Rates                                         |                                                                                               |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Daily Net Assets                                   | As a % of daily net assets (per annum)                                                        |
| On the first Rs. 500 crore                         | 2.00%                                                                                         |
| On the next Rs. 250 crore                          | 1.75%                                                                                         |
| On the next Rs. 1,250 crore                        | 1.50%                                                                                         |
| On the next Rs. 3,000 crore                        | 1.35%                                                                                         |
| On the next Rs. 5,000 crore                        | 1.25%                                                                                         |
| On the next Rs. 40,000 crores                      | Reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof |
| Balance of assets over and above Rs. 50,000 crores | 0.80%                                                                                         |

The total expenses of the Scheme(s) including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6) of the SEBI (Mutual Funds) Regulations.

Additional expenses incurred towards different permissible heads under sub-regulation 52(2) & 52(4), not exceeding 0.05 percent of daily net assets of the concerned scheme. Provided that such additional expenses shall not be charged to the schemes where the exit load is not levied or applicable.

In Addition to expenses under Regulation 52 (6) and (6A), AMC may charge GST on investment and advisory fees, expenses other than investment and advisory fees and brokerage and transaction cost as below:

- GST on investment and advisory fees:** AMC may charge GST on investment and advisory fees of the scheme in addition to the maximum limit of TER as per the Regulation 52(6).
- GST on expenses other than investment and advisory fees:** AMC may charge GST on expenses other than investment and advisory fees of the scheme, if any within the maximum limit of TER as per the Regulation under 52(6).
- GST on brokerage and transaction cost:** The GST on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of TER as per the Regulation 52(6).

Further, it is clarified that the brokerage and transaction cost incurred for the purpose of execution of trade shall be charged to the Scheme upto 12 bps and 5 bps for cash market transactions and derivative transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 12

bps cash market transactions may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations.

At least 2 bps on daily net assets within the maximum limit of overall expense Ratio shall be annually set apart for investor education and awareness initiatives.

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

These estimates have been made in good faith by the AMC and are subject to change inter-se. The total recurring expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI Regulations.

Any other expenses that are directly attributable to the Scheme, and permissible under SEBI (Mutual Funds) Regulations, 1996 from time to time, may be charged within the overall limits as specified in the Regulations.

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associate, sponsor, trustee or any other entity through any route.

#### **Illustration of impact of expense ratio on Scheme's returns :-**

| <b>Particulars</b>                                     | <b>Regular Plan</b> | <b>Direct Plan</b> |
|--------------------------------------------------------|---------------------|--------------------|
| Amount invested at the beginning of the year (in Rs.)  | 20,000              | 20,000             |
| Returns before expenses (in Rs.)                       | 2000                | 2000               |
| Returns before expenses (%)                            | 10%                 | 10%                |
| Expenses other than Distribution commission (in Rs.)   | 200                 | 200                |
| Distribution Commission (in Rs.)                       | 100                 | -                  |
| Returns after expenses at the end of the Year (in Rs.) | 1700                | 1800               |
| Returns after expenses at the end of the Year (%)      | 8.5%                | 9%                 |

#### **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.licmf.com](http://www.licmf.com)) or may call at (toll free no. 1800 258 5678) or at Official Points of Acceptance for Schemes of LIC Mutual Fund (List of Official Points of Acceptance available on the website of the AMC i.e. [www.licmf.com](http://www.licmf.com)).

| <b>Type of Load</b> | <b>Load chargeable (as percentage of NAV)</b> |
|---------------------|-----------------------------------------------|
| Exit                | NIL                                           |

- No exit load shall be levied for switching between Plans/ Options within the Scheme. However, any subsequent switch-out or redemption of such investment from the Scheme shall be subject to exit load based on the original date of investment in the Scheme.
- No exit load will be levied on Bonus Units and Units allotted on Reinvestment of Income Distribution cum capital withdrawal option.
- While determining the price of the units, the mutual fund will ensure that the repurchase price of an open

ended scheme is not lower than 97 per cent of the Net Asset Value.

Under the Scheme, the Trustee reserves the right to modify / change the Load structure depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the SEBI (Mutual Funds) Regulations, Exit load charged, if any, shall be credited to the Scheme. The investor is requested to check the prevailing load structure of the Scheme before investing.

Any imposition or enhancement of Exit Load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on Reinvestment of Income Distribution cum Capital Withdrawal for existing as well as prospective investors. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres. In case of changes in load structure the addendum carrying the latest applicable load, structure shall be attached to all KIM and SID already in stock till it is updated.

The Trustee/AMC reserves the right to change the load structure subject to the limits prescribed under the Regulations. Any change in load structure shall be only on a prospective basis i.e. any such changes would be chargeable only for Redemptions from prospective purchases (applying first in first out basis).

## **Section II**

### **I. Introduction**

#### **A. Definitions/interpretation**

##### **Definitions**

Definitions pertaining to the Scheme are available at the below link: <https://www.licmf.com/sid-disclosure>

##### **Interpretation**

For all purposes of the SID, except as otherwise expressly provided or unless the context otherwise requires:

- All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- All references to "Rs" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- All references to timings relate to Indian Standard Time (IST).

#### **B. Risk factors**

##### **RISK ASSOCIATED WITH INVESTMENT IN DEBT SECURITIES:**

All debt securities are exposed to interest rate risks, credit risks and reinvestment risk. Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern e.g. corporate bonds carry a higher amount of risk than government securities. Further even among corporate bonds, bond which AAA rated are comparatively less risky than bonds which are AA rated.

Liquidity of scheme's investment may be inherently restricted by trading volumes and settlement periods. The inability to sell the money market or debt securities held in the scheme's portfolio due to the absence of a well developed and liquid secondary market for such securities may result, at times in losses to the scheme, in case of subsequent decline in the value of such securities.

##### **RISK ASSOCIATED WITH INVESTMENTS IN REPO OF CORPORATE DEBT SECURITIES**

##### **Counterparty Risk:**

The Scheme may be exposed to counter-party risk in case of repo lending transactions in the event of the counterparty failing to honor the repurchase agreement. However, in repo lending transactions, the collateral may be sold and a loss is realized only if the sale value of the collateral 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 endeavored 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.

**Collateral Risk:**

Collateral risk arises when the market value of the underlying securities is inadequate to meet the repo obligations or there is downward migration in rating of collateral. Further if the rating of collateral goes below the minimum required rating during the term of repo or collateral becomes ineligible for any reason, counterparty will be expected to substitute the collateral. In case of failure to do so, AMC will explore the option for early termination of the repo trade.

**Settlement Risk:**

Corporate Debt Repo (CDR) shall be settled between two counterparties in the OTC segment unlike in the case of Government securities repo transactions where CCIL stands as central counterparty on all transactions which neutralizes the settlement risk. However, the settlement risk pertaining to CDRs shall be mitigated through Delivery versus Payment (DvP) mechanism which is followed by all clearing members.

**RISK FACTORS RELATED TO SECURITISED DEBT:**

Different types of Securitised Debts in which the scheme would invest carry different levels and types of risks. Accordingly, the scheme's risk may increase or decrease depending upon its investments in Securitised Debts e.g. AAA securitised bonds will have low Credit Risk than AA securitised bond. Credit Risk on Securitised Bonds may also depend upon the Originator, if the bonds are issued with Recourse to Originator. A bond with Recourse will have a lower Credit Risk than a bond without Recourse. Underlying assets in Securitised Debt may be the receivables from Auto Finance, Credit Cards, Home Loans or any such receipts. Credit risk relating to these types of receivables depend upon various factors including macro-economic factors of these industries and economies. To be more specific, factors like nature and adequacy of property mortgaged against these borrowings, loan agreement, mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loan, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower to influence the risks relating to the assets(borrowings) underlying the Securitised Debts. Holders of Securitised Assets may have Low Credit Risk with Diversified Retail Base on Underlying Assets, especially when Securitised Assets are created by High Credit Rated Tranches. Risk profiles of Planned Amortization Class Tranches (PAC), Principal Only Class Tranches (PO) and Interest Only Class Tranches (IO) will also differ, depending upon the interest rate movement and Speed of Pre-payments. A change in market interest rates/prepayments may not change the absolute amount of receivables for the investors but affects the reinvestment of the periodic cashflows that the investor receives in the securitised paper.

**Securitization: Background, Risk Analysis, Mitigation, Investment Strategy and Other Related Information**

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

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

**In pursuance to SEBI communication dated 25<sup>th</sup> August 2010, given below are the requisite details relating to investments in Securitized debt:**

### **1. Risk profile of securitized debt vis-à-vis risk appetite of the scheme**

The risk profile of securitised debt is generally at par with the risk profile of other debt securities at the same level of credit rating. Securitised debt offers additional income (spread) over a debt security of similar rating and maturity, which enables the scheme to optimize its income without taking any additional credit risk. Securitised debt is generally less liquid, however, investment in securitised debt is made to maintain a diversified portfolio of debt securities that optimizes return without increasing the overall risk profile of the Scheme.

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

#### **Acceptance evaluation parameters (for pool loan and single loan securitization transactions) Track Record**

We ensure 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.

A traditional SWOT 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.

### **3. 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 analyzed 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

#### **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:

##### **1. 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. Evaluating following risks does this:

- 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.

## **2. Counterparty Risk**

There are several counter parties 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

## **3. 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.

## **4. 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 Recourse and Credit Risk** Certificates issued on investment in securitized debt represent a beneficial interest in the underlying receivables and there is no obligation on the issuer, seller or the originator in that regard. Defaults on the underlying loan can adversely affect the payouts to the investors (i.e. the Schemes) and thereby, adversely affect the NAV of the Scheme. While it is possible to repossess and sell the underlying asset, various factors can delay or prevent repossession and the price obtained on sale of such assets may be low. Housing Loans, Commercial Vehicle loans, Motorcar loans, two wheeler loans and personal loans will stake up in that order in terms of risk profile.

**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.

## **Bankruptcy Risk**

If the originator of securitized debt instruments in which the Scheme invests is subject to bankruptcy proceedings and the court in such proceedings concludes that the sale of the assets from originator to the trust was not a 'true sale', and then the Scheme could experience losses or delays in the payments due.

**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.

## **Limited Liquidity and Price risk**

Presently, secondary market for securitized papers is not very liquid. There is no assurance that a deep

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

**Risk 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.

### **Risks due to possible prepayments: Weighted Tenor / Yield**

Asset securitization 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 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.

**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.

### **Assessment by the AMC**

Mapping of structures based on underlying assets and perceived risk profile the scheme will invest in securitized debt originated by Banks, NBFCs and other issuers of investment grade credit quality and established track record. The AMC will evaluate following factors, while investing in securitized debt:

### **Originator**

#### **Critical Evaluation Parameters (for pool loan and single loan securitization transactions)**

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

1. High default track record/ frequent alteration of redemption conditions / covenants
2. High leverage ratios – both on a standalone basis as well on a consolidated level/ group level
3. Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be
4. Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
5. Poor reputation in market
6. 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 facilitate 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**

1. **Liquidity risk:** Investments in Single Loan Securitized Debts have relatively less liquidity as compared to investments in NCDs.
2. **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 lists the major risks and advantages of investing in Single Loan securitizations

| <b>Risks</b>           | <b>PTC</b>       | <b>NCD</b>      | <b>Risk Mitigants</b>                                                                                                                                |
|------------------------|------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidity Risk         | Less             | Relatively High | Liquidity Risk is mitigated by investing in structures which are in line with product maturity, also by taking cash collateral, bank guarantees etc. |
| <b>Advantages</b>      | <b>PTC</b>       | <b>NCD</b>      |                                                                                                                                                      |
| Wider Coverage/Issuers | High             | Relatively Less |                                                                                                                                                      |
| Credit Assessment      | High             | Relatively less |                                                                                                                                                      |
| Structure              | Higher Issuances | Relatively less |                                                                                                                                                      |

|                            |                   |                           |  |
|----------------------------|-------------------|---------------------------|--|
| Legal Documentation        | More regulated    | Relatively less regulated |  |
| End use of funds           | Targeted end use  | General Purpose use       |  |
| Yield Enhancer             | High              | Less                      |  |
| Covenants                  | Tighter Covenants | Less                      |  |
| Secondary Market Issuances | Higher issuances  | Lower issuances           |  |

Table below illustrates the framework that will 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.

Majority of our securitized debt investments shall be in asset backed pools wherein we'll have underlying assets as Medium and Heavy Commercial Vehicles, Light Commercial Vehicles (LCV), Cars, and Construction Equipment etc. Where we invest in Single Loan Securitization, as the credit is on the underlying issuer, we focus on the credit review of the borrower. A credit analyst sets up limit

for various issuers based on independent research taking into account their historical track record, prevailing rating and current financials. In addition to the framework 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:** We generally analyze 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.10000000/- it may be easier to construct a pool with just 10 housing loans of Rs.1000000/- each rather than to construct a pool of personal loans as the ticket size of personal loans may rarely exceed Rs.500000/- per individual. Also to amplify this illustration further, if one were to construct a pool of Rs.10000000/- consisting of personal loans of Rs.100000/- 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:** We 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 0-30DPD (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.

**Risk Tranching:** Typically, we would avoid investing in mezzanine debt or equity of Securitized debt in the form of subordinate tranche, without specific risk mitigation strategies / additional cash / security collaterals/ guarantees, etc. Also refer Paragraphs 2 and 3 above for risk assessment process.

#### **4. Minimum retention period of the debt by originator prior to securitization:**

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenor of the securitization transaction. The Fund will invest in securitized debt that is Compliant with the laws and regulations.

#### **5. Minimum retention percentage by originator of debts to be securitized**

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five

and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenor and structure of the securitization transaction. The Fund will invest in securitized debt that is compliant with the laws and regulations.

Refer the Table in paragraph 2 and 3 above, which illustrates the average seasoning of the debt by the originator prior to securitization. Further, also refer the same Table, which illustrates additional collaterals taken against each type of asset class, which is preferred over the minimum retention percentage by the originator of the loan.

**6. 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 pattern 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 addition to internal controls in the fixed income investment process, there is regular monitoring by the compliance team, risk management group, and internal review teams. Normally the issuer who is securitizing instrument is in need of money and is unlikely to have long-term surplus to invest in mutual fundscheme.

**7. 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. Credit analyst does the investments in securitized debt 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 entire securitized portfolio is published in the fact sheet and disclosed in the web site for public consumption with details of underlying exposure and originator.

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.

**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 belowered or withdrawn entirely by the rating agency.

**C. Risk mitigation strategies**

The Mutual Fund has built adequate internal risk management controls and safeguards to ensure that the Scheme is managed in line with the defined investment objectives and in compliance with SEBI (Mutual Funds) Regulations with respect to issuer exposures and limits. As a primary measure of risk control, the portfolio will be adequately diversified.

The AMC will monitor the overall economic environment, track company specific news, financial

performance and liquidity on a regular basis and the outlook will be integrated into the risk control and monitoring of the Scheme. The AMC will regularly monitor the performance of the Scheme and review the performance against the benchmark index and peer group.

Some of the risks and the corresponding risk mitigating strategies are listed below:

**•Risks associated with Debt and money market securities**

| <b>Risk</b>                                                                                                                                                                      | <b>Risk Mitigation Strategy</b>                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market Risk/Volatility Risk</b><br><br>(Risk arising due to vulnerability to price fluctuations and volatility, having material impact on the overall returns of the scheme.) | There is risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The Scheme will manage volatility risk through diversification. |
| <b>Liquidity Risk</b><br><br>(The risk that a debt instrument cannot be sold quickly enough without a significant price concession.)                                             | Periodic Monitoring of portfolio liquidity.                                                                                                                                                                    |
| <b>Credit Risk</b><br><br>(The risk that the issuer of a debt security will default on its payment obligations or the credit rating of the issuer gets downgraded.)              | Investment universe carefully defined to include issuers with high credit quality; critical evaluation of credit profile of issuers on an on-going basis                                                       |

## **II. Information about the Scheme:**

### **A. Where will the scheme invest?**

The corpus of the Scheme, subject to the enabling provisions of asset allocation pattern, will be invested in Overnight securities or debt instruments maturing on or before the next business day and securities/ instruments with residual maturity not greater than 1 business day which shall include:

#### **A. Debt and Money Market Instruments**

##### **1. Government Debt**

Treasury Bills (T-Bills) are issued by the Government of India or State Governments to meet their short term borrowing requirements. T-Bills are issued for maturities of 91 days, 182 days and 364 days. T-Bills are issued at a discount and for a fixed period.

Securities created and issued by the Central and State Governments as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government Securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in co-ordination with the RBI.

## 2. Certificate of Deposit (CD)

Certificate of Deposit (CD) is a negotiable money market instrument issued by Scheduled Commercial Banks (SCBs) and select All India Financial Institutions (FIs) that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the SCBs is between 7 days to 1 year, whereas, in case of FIs, maturity is 1 year to 3 years from the date of issue. CDs also are issued at a discount to face value and can be traded in secondary market.

## 3. Triparty Repo (TREPS)

Tri-party Repo means a repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction. The Scheme shall undertake Tri-party Repo transactions in Government Securities.

## 4. Commercial Paper (CP)

Commercial Paper (CP) is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and All India Financial Institutions as an alternative source of short term borrowings. CP is traded in secondary market and can be freely bought and sold before maturity. CP can be issued for maturities between a minimum of 15 days and a maximum up to 1 year from the date of issue.

## 5. Repo/Reverse Repo

Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. Presently in India, Central Government Securities, State Government securities, T-Bills and corporate debt securities are eligible for Reverse Repo. The Scheme intends to participate in Reverse Repo in Central Government Securities, State Government securities, T-Bills. The Scheme also intends to participate in repo/ reverse repo transactions in corporate debt securities.

## 6. Securitised Debt

Securitized Debt such as Mortgage Backed Securities ("MBS") or Asset Backed Securities ("ABS") is a financial instrument (bond) whose interest and principal payments are backed by an underlying cash flow from another asset. Asset Securitization is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments.

A typical process of asset securitization involves sale of specific receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (promissory notes, participation certificates or other debt instruments) also referred to as "Securitized Debt" to the investors evidencing the beneficial ownership of the investors in the receivables. The financial instruments are rated by an independent credit rating agency.

7. Mutual Fund units  
The Scheme may invest in liquid funds for overnight deployment.
8. Call or notice money
9. Usance bills

Such other securities/assets as may be permitted by SEBI from time to time.

The Scheme may undertake interscheme transfers subject to compliance of the provisions of Paragraph 12.30 of SEBI Master Circular for Mutual Funds.

Investments in Instruments stated above will be as per the limits specified in the asset allocation table as mentioned subject to restrictions / limits laid under SEBI (Mutual Funds) Regulations 1996 mentioned under section 'WHAT ARE THE INVESTMENT RESTRICTIONS?'

## **B. What are the investment restrictions?**

Investment restrictions as contained in the Seventh Schedule to SEBI (Mutual Funds) Regulations, 1996 and circulars issued thereunder and applicable to the Scheme have been given below: –

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

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

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

Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.

Further, the 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.

2. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if,—
  - (a) Such transfers are done at the prevailing market price for quoted instruments on spot basis. In the absence of a traded price, price derived from the last valuation yield shall be used.  
[Explanation.—“Spot basis” shall have same meaning as specified by stock exchange for spot transactions;]
  - (b) The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

The interscheme transfer shall be done in compliance with paragraph 12.30 of SEBI Master Circular for Mutual Funds, as amended from time to time.

3. The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
4. The Scheme shall not make any investment in,—
  - (a) Any unlisted security of an associate or group company of the sponsor; or
  - (b) Any security issued by way of private placement by an associate or group company of the sponsor; or
  - (c) The listed securities of group companies of the sponsor which is in excess of 25% of the net assets of the Scheme except for investments by equity oriented exchange traded funds and index funds and subject to such conditions as may be specified by SEBI from time to time.
5. The Scheme shall not make any investment in any fund of funds scheme.
6. Save as otherwise expressly provided under the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time, the mutual fund shall not advance any loans for any purpose.
7. The Scheme shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of redemption of Units or payment of interest and Income Distribution cum Capital Withdrawal (IDCW) to the Unit holders.

Provided that the Mutual Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of such borrowing shall not exceed a period of 6 (six) months.

8. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.
9. In accordance with 12.9.1 of SEBI Master Circular for Mutual Funds, the Scheme shall ensure that total exposure of the Scheme in a particular sector (excluding investments in Bank CDs, triparty repo on Government securities or treasury bills, G-Secs, TBills, short term deposits of Scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) does 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 shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

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

10. In accordance with 12.9.3 of SEBI Master Circular for Mutual Funds, the Scheme shall not invest more than 20% of its net assets in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks). Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Trustees. Provided that investments by the Scheme 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 prior approval of the Board of Trustees.

All investments of the Scheme will be made in accordance with SEBI (Mutual Funds) Regulations, 1996, including Schedule VII thereof.

These investment limitations/parameters as expressed (linked to the Net Asset/Net Asset Value/capital) shall, in the ordinary course, apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Mutual Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, the AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unit Holders.

The Trustee /AMC may alter the above stated limitations from time to time, and also to the extent the SEBI (MF) Regulations change, so as to permit the Schemes to make their investments in the full spectrum of permitted investments in order to achieve their investment objective. All the investment restrictions shall be applicable at the time of making investments. Further, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund may follow any internal norms vis-à-vis restricting/limiting exposure to a particular scrip or sector, etc.

### C. Fundamental Attributes

Following are the Fundamental Attributes of the Scheme, in terms of paragraph 1.14 of SEBI Master Circular for Mutual Funds:

- **TYPE OF A SCHEME**

An open-ended debt scheme investing in overnight securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.

- **INVESTMENT OBJECTIVE**

- Main Objective:** The Scheme aims to provide reasonable returns commensurate with low risk and providing a high level of liquidity, through investments made primarily in overnight securities having maturity/residual maturity of 1 business day. There is no assurance that the investment objective of the Scheme will be achieved.
- Investment Pattern:** The indicative portfolio break-up with minimum and maximum asset allocation is detailed in the section “**HOW WILL THE SCHEME ALLOCATE ITS ASSETS?**”. The fund manager reserves the right to alter the asset allocation for a short-term period on defensive considerations.

- **TERMS OF ISSUE**

- Liquidity provisions such as listing, repurchase, redemption** - Repurchases shall be allowed on all business days on ongoing basis from the date of allotment. The units of the scheme are not listed on any Stock Exchange. Units of the schemes held in demat form shall be freely transferable, in order to facilitate transferability of units held in one demat account to another demat account, pursuant to Paragraph 14.4.4 of SEBI Master Circular for Mutual Funds. The units of the Scheme held in Statement of Account mode are transferable subject to compliance of provisions prescribed in this regard in the Statement of Additional Information.
- Aggregate fees and expenses charged to the Scheme:** The aggregate fees and expenses charged to the Scheme will be in line with the limits defined in the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. The aggregate fee and expenses to be charged to the Scheme are detailed in Section I Part III (C) of this document.
- Any safety net or guarantee provided:** The Scheme does not provide any safety net or guarantee, nor does it provide any assurance regarding the realization of the investment objective of the Scheme or in respect of declaration of Income Distribution cum Capital Withdrawal.

### Changes in Fundamental Attributes

In accordance with Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 and paragraph 1.14.1.4 of SEBI Master Circular for Mutual Funds, the trustees shall ensure that no change in the fundamental attributes of the Scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of the unit holders is carried out by the Asset Management Company, unless:

- it complies with sub-regulation (26) of regulation 25 of SEBI (Mutual Funds) Regulations;
- Comments from SEBI are obtained on the proposal.

Further, in accordance with Regulation 25 (26) of the SEBI (Mutual Funds) 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:

- (i) a written communication about the proposed change is sent to each unit holder and an advertisement is issued 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
- (ii) the unit holders are given an option to exit (not less than calendar 30 days from the notice date) at the prevailing Net Asset Value without any exit load.

**Note:** Any permanent change in the Potential Risk Class Matrix (PRC) positioning of a Scheme into a higher risk cell will be regarded as a fundamental attribute change.

**D. Index methodology (for index funds, ETFs and FOFs having one underlying domestic ETF) – Not applicable**

**E. Principles of incentive structure for market makers (for ETFs) - Not Applicable**

**F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI master circular for mutual funds (only for close ended debt schemes) - Not Applicable**

**G. Other Scheme Specific Disclosures:**

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| Listing and transfer of units                                                                                                                                                                                             | <p>The units of the scheme are not listed on any Stock Exchange.</p> <p>Units of the Schemes held in demat form shall be freely transferable, in order to facilitate transferability of units held in one demat account to another demat account, pursuant to Paragraph 14.4.4 of SEBI Master Circular for Mutual Funds. The units of the Scheme held in Statement of Account mode are transferable subject to compliance of provisions prescribed in this regard in the Statement of Additional Information.</p>                                              |
| Dematerialization of units                                                                                                                                                                                                | <p>The Unit holders would have an option to hold the Units in demat form or account statement (non-demat) form. Units held in Demat Form are freely transferable. The Applicant intending to hold Units in demat form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/ CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units.</p> <p>For more details, please refer Statement of Additional Information.</p> |
| Minimum Target amount<br>(This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.) | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Maximum Amount to be raised (if any)                                                                                                                                                                                      | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| Dividend Policy (IDCW)         | <p>Under the Income Distribution cum Capital Withdrawal (IDCW) option, the Trustee will have the discretion to declare the Income Distribution cum Capital Withdrawal as per the specified frequencies, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of Income Distribution cum Capital Withdrawal and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with SEBI (Mutual Funds) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holder as to the rate of Income Distribution cum Capital Withdrawal nor that the Income Distribution cum Capital Withdrawal will be paid regularly.</p> <p>The amounts can be distributed out of investor's capital (Equalization Reserve), which is a part of sale price of the units that represents realized gains.</p> <p>The AMC/Trustee reserves the right to change the frequency of declaration of Income Distribution cum capital withdrawal or may provide for additional frequency for declaration of Income Distribution cum Capital Withdrawal.</p> <p><b>Procedure for declaration under Income Distribution cum Capital Withdrawal (IDCW) Option</b></p> <p>In accordance with Paragraph 11.6.1 of SEBI Master Circular for Mutual Funds, the procedure for declaration under Income Distribution cum Capital Withdrawal Option would be as under:</p> <ol style="list-style-type: none"> <li>The Trustees shall decide the quantum of IDCW and the record date in their meeting. IDCW so decided, shall be paid, subject to availability of distributable surplus.</li> <li>Within one calendar day of the decision by the trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be two working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier.</li> <li>Record date shall be the date which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of unit holders for receiving IDCW (dividends). The NAV shall be adjusted to the extent of IDCW and statutory levy, if applicable, at the close of business hours on record date.</li> <li>Before the issue of such notice, no communication whatsoever indicating the probable date of dividend declaration shall be issued by any Mutual Fund or its distributors of its products.</li> <li>The notice shall, in font size 10, bold, categorically state that pursuant to payment of IDCW, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable).</li> </ol> |
| Allotment (Detailed procedure) | All Applicants whose money towards purchase of Units have been realized by the Fund, will receive a full and firm allotment of Units in compliance with Paragraph 8.4 of SEBI Master circular for Mutual Funds, provided also                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

the applications are complete in all respects and are found to be in order.

#### **Accounts Statements**

- In case of Unit Holders holding units in the dematerialized mode, the Fund will not send the account statement to the Unit Holders. The statement provided by the Depository Participant will be equivalent to the account statement.
- For those unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail. Unit holders will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.
- The Unit holder may request for a physical account statement by writing/calling the AMC/ISC/RTA. In case of specific request received from the Unit Holders, the AMC/Fund will provide the Account Statement to the Investors within 5 business days from the receipt of such request.

#### **Consolidated Accounts Statements**

Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with Paragraph 14.4 of SEBI Master Circular for Mutual Funds, the investor whose transaction has been accepted by LIC Mutual Fund/KFin shall receive a confirmation by way of email and /or SMS within 5 Business Days from the date of receipt of transaction request, same will be sent to the Unit holders registered e-mail address and/or mobile number.

In view of the said requirements the account statements for transactions in units of the Fund by investors will be dispatched to investors in following manner:

#### **Investors who do not hold DEMAT Account**

Consolidated account statement<sup>^</sup>, based on PAN of the holders, shall be sent by AMC/ RTA to investors not holding DEMAT account, for each calendar month on or before 15th day of the succeeding month to the investors in whose folios transactions have taken place during that month. Consolidated account statement shall be sent by AMC/RTA every half yearly (September/ March), on or before 21st day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios there have been no transactions during that period.

<sup>^</sup>Consolidated account statement sent by AMC/RTA is a statement

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|                                                                                                                                                                                | <p>containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, payout of IDCW, reinvestment of IDCW, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. and holding at the end of the month.</p> <p><b>II. Investors who hold DEMAT Account</b></p> <p>Consolidated Account Statement, based on PAN of the holders, shall be sent by Depositories to investors holding DEMAT account. If there is any transaction in any of the demat accounts of the investor or in any of the mutual fund folios, then CAS shall be sent to that investor on monthly basis. The depositories shall dispatch the CAS to investors that have opted for delivery via electronic mode, within twelve (12) days from the month end and to investors that have opted for delivery via physical mode, within fifteen (15) days from the month end. In case there is no transaction in any of the mutual fund and demat accounts then CAS with holding details shall be sent to the investors on half yearly basis. The depositories shall dispatch the CAS to investors that have opted for delivery via electronic mode, on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October.</p> <p>In case of DEMAT accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send account statement in terms of regulations applicable to the depositories.</p> <p>CAS shall not be sent to the Unit holders for the folio(s) wherein the PAN details are not updated.</p> <p>The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN, email ID and mobile number to prevent fraudulent transactions.</p> |
| Refund                                                                                                                                                                         | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>Who can invest</p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p> | <p>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):</p> <ol style="list-style-type: none"> <li>1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;</li> <li>2. Hindu Undivided Family (HUF) through Karta;</li> <li>3. Minor through parent / legal guardian;</li> <li>4. Partnership Firms and Limited Liability Partnerships (LLPs);</li> <li>5. Proprietorship in the name of the sole proprietor;</li> <li>6. Companies, Bodies Corporate, Public Sector Undertakings (PSUs), Association of Persons (AOP) or Bodies of Individuals (BOI) and Societies registered under the Societies Registration Act, 1860 (so long as the purchase of Unit is permitted under the respective constitutions);</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|                                  | <ol style="list-style-type: none"> <li>7. Banks Financial Institutions;</li> <li>8. Mutual Fund/ Alternative Investment Fund registered with SEBI.</li> <li>9. Trusts including, Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorized to invest in mutual fund schemes under their trust deeds;</li> <li>10. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs) residing abroad on repatriation basis or on non-repatriation basis;</li> <li>11. Foreign Portfolio Investors (FPIs) / Foreign Institutional Investors (FIIs) and their subaccounts registered with SEBI on repatriation basis;</li> <li>12. Army, Air Force, Navy and other para-military units and bodies created by such institutions;</li> <li>13. Scientific and Industrial Research Organizations;</li> <li>14. Multilateral Funding Agencies /Bilateral Development Corporation Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India / RBI</li> <li>15. Provident/ Pension/ Gratuity Fund to the extent they are permitted;</li> <li>16. Other schemes of LIC Mutual Fund or any other Mutual Fund subject to the conditions and limits prescribed by SEBI Regulations;</li> <li>17. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme.</li> <li>18. Such other categories of investors permitted by the Mutual Fund from time to time, in conformity with the SEBI Regulations.</li> </ol> <p>The list given above is indicative and the applicable law, if any, shall supersede the list.</p> |
| Who cannot invest                | <ul style="list-style-type: none"> <li>•United States Person (U.S. Person), corporations and other entities organized under the applicable laws of the U.S. and Residents of Canada as defined under the applicable laws of Canada cannot invest in units of Scheme.</li> <li>•Persons residing in the Financial Action Task Force (FATF) Non Compliant Countries and Territories (NCCTs).</li> <li>•Such other persons as may be specified by Mutual Fund from time to time.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| How to Apply (and other details) | <p>Application form shall be available from either the Investor Service Centers (ISCs)/Official Points of Acceptance (OPAs) of AMC or may be downloaded from the website of AMC (<a href="http://www.licmf.com">www.licmf.com</a>).</p> <p>List of official points of acceptance, collecting banker details etc. shall be available at <a href="https://www.licmf.com/sid-disclosure">https://www.licmf.com/sid-disclosure</a></p> <p>Details of the Registrar and Transfer Agent (RTA), official points of acceptance, collecting banker details etc. are available on back cover page.</p> <p><b>Transactions through online facilities/electronic modes:</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|  | <p>Investors may undertake transactions viz. purchase / redemption / switch through the online/electronic modes/ sources like its official website - www.licmf.com, through email (Only for Non Individual Investor)* etc and may also submit transactions in electronic mode offered by specified banks, financial institutions, distributors etc., with whom AMC has entered or may enter into specific arrangements including through secured internet sites operated by RTA. Accordingly, the servers (maintained at various locations) of the AMC and RTA will be the official point of acceptance for all such online / electronic transaction facilities offered by the AMC. The time of receipt of funds in the scheme's collection account and the time of receipt of application with all the correct details at AMC's /RTA server shall be taken into consideration for the purpose of NAV applicability.</p> <p><b>* ACCEPTANCE OF FINANCIAL TRANSACTIONS THROUGH ELECTRONIC MAIL FROM NON- INDIVIDUAL INVESTORS:</b></p> <p>In line with AMFI Best Practice Guidelines No. 118/2024-25 dated January 31, 2025 and AMFI email dated February 27, 2025, the practice to accept financial transactions has been standardized and the following requirements will be applicable w.e.f. May 1, 2025 for financial transactions received from Non-Individual Investors in schemes of LIC Mutual Fund.</p> <p>The Mutual Fund / AMC / Trustee Company / Registrar or any other agents or representatives of the Mutual Fund / AMC / Trustee Company / Registrar ("Receiver") may accept Financial Transaction Request through Electronic Mail (Email) from Non - Individual Investor ("Sender / Entity"), as may be permitted by the AMC from time to time and subject to the Sender fulfilling applicable terms and conditions as may be stipulated / prescribed in the Scheme Information Document(s) of the scheme and by the AMC from time to time:</p> <ol style="list-style-type: none"> <li>A. The Entity shall provide a copy of the Board resolution or an authority letter on the Entity's letter head, granting appropriate authority to the designated officials of the Entity. The board resolution/ authority letter shall explicitly mention the following: <ol style="list-style-type: none"> <li>a. List of approved authorized officials who are authorized to transact on behalf of non - individual investors along with their designation and email IDs.</li> <li>b. An undertaking that the instructions for any financial transactions sent by email by the authorized officials shall be binding upon the entity as if it were a written agreement.</li> </ol> </li> <li>B. In case the document is executed electronically with a valid Digital Signature Certificate (DSC) or through Aadhaar based e-signature by the authorized official/s, the same shall be considered as valid and acceptable, and shall be binding on the non-individual investor even</li> </ol> |
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|  | <p>if the transaction request is not received from the registered email id. of the authorized official/s. However, in such cases, the domain name of the email ID should be from the same organization's official domain name.</p> <p>C. The Financial Transaction request with requisite information and complete in all respects shall be required to be sent to the designated email address only as may be notified by the AMC at the time of permitting the use of this facility, post completion of the requisite process.</p> <p>D. In addition to the acceptance of financial transactions via email, scanned copy of duly signed transaction form/request letter bearing wet signatures of the authorized signatories of the entity, received from some other official / employee of the non-individual investor will be accepted, and shall be binding on the Entity provided –</p> <ol style="list-style-type: none"> <li>The email is also CC'd (copied) to the registered email ID of the authorized official / signatory of the non-individual unitholder; and</li> <li>The domain name of the email ID of the sender of the email is from the same organization's / Entity official domain name.</li> </ol> <p>E. No non-financial transactions including but not limited to change in bank details or addition of bank account of the entity etc., shall be allowed / accepted via email.</p> <p>F. Request for change in bank details or addition of bank account of the Entity shall be submitted by the Entity using the prescribed service request form duly signed by the Entity's authorized signatories.</p> <p>G. Further, any change in the registered email address / contact details of the Entity shall be accepted only through a physical letter (including scan copy thereof) with wet signature of the designated authorized officials of the Entity, duly supported by copy of the board resolutions/authority letter on the Entity's letter head.</p> <p>H. In addition to the acceptance of financial transactions via email, scanned copies of signed transaction form/request letter bearing wet signatures of the authorized signatories of the Entity, received from the registered mutual fund distributor of the Entity or a third party duly authorized by the Entity will be accepted subject to fulfilment of the following requirements:</p> <ol style="list-style-type: none"> <li>Authorization letter from the non-individual unitholder authorizing the MFD/person to send the scanned copies of signed transaction form/request letter on behalf of the Entity.</li> <li>In such cases, the non-individual unitholder's registered email ID shall also be copied in the email sent by the MFD/person sending the scanned copies of the duly signed transaction form/request letter.</li> </ol> <p>I. For the purpose of determining the applicable NAV the system recorded date and time of the Email received by the Server of the AMC / Registrar will be considered subject to the entire amount of subscription / purchase as per the request are credited to the bank</p> |
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|  | <p>account of the scheme and are available for utilization before the cut-off timing.</p> <p>J. The Sender / Entity agrees and acknowledges and is aware that there may be delays in delivery / difference in the date and time of the email received at the server of the AMC/Receiver and the date and time of the server through which investor has sent the email and also the AMC / Receiver server may not receive / reject the email sent by the Sender at all. The transaction receipt time will be the date and time of the email received at the server of the AMC/ receiver. All other terms and conditions of NAV applicability will be as per the applicable regulatory guidelines.</p> <p>K. The Sender / Entity shall retain records of transactions submitted through email in line with the applicable laws / regulations.</p> <p>L. The AMC shall collect the board resolution or an authority letter or an undertaking from existing Non-Individual Investors if the same are not available in its records.</p> <p>All the terms and conditions specified in the Statement of Additional Information with respect to acceptance of transactions through electronic mode shall be applicable to this Facility.</p> <p><b>Transactions through MF Utility portal &amp; MFUI Points of Services pursuant to appointment of MF Utilities India Pvt. Ltd.</b></p> <p>Investors may be provided facility to subscribe to Units of the Scheme through MF Utility (“MFU”) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form and a single payment instrument.</p> <p>The AMC reserves the right to discontinue the facility(ies) at any point of time.</p> <p><b>Transactions through MFCentral Platform</b></p> <p>In line with paragraph 16.6 of SEBI Master Circular for Mutual Funds, on RTA inter-operable Platform for enhancing investors’ experience in Mutual Fund transactions / service requests, the QRTA’s, KFin Technologies Limited (Kfintech) and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral – A digital platform for Mutual Fund investors. MFCentral is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service related needs that significantly reduces the need for submission of</p> |
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|                                                                                                                                                                                                 | <p>physical documents by enabling various digital / physical services to Mutual fund investors across fund houses subject to applicable T&amp;Cs of the Platform. MFCentral can be accessed using <a href="https://mfcentral.com/">https://mfcentral.com/</a> and as a Mobile App.</p> <p>Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service centres or collection centres of Kfintech or CAMS.</p> <p>Please refer to the SAI and Application form for further details and the instructions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.                                | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Restrictions, if any, on the right to freely retain or dispose of units being offered.                                                                                                          | <p>Units in dematerialized form are freely transferable. The units of the Scheme held in Statement of Account mode are transferable subject to compliance of provisions prescribed in this regard in the Statement of Additional Information.</p> <p><b>Restriction on Redemption in Mutual Funds</b></p> <p>In accordance with paragraph 1.12 of SEBI Master Circular for Mutual Funds, the AMC reserves the right to impose restriction on redemptions subject to certain conditions as specified in the Statement of Additional Information under the heading ‘Suspension of redemption of Units’.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p> | <p>In accordance with provisions of Paragraph 8.4 of SEBI Master Circular for Mutual Funds, the following cut-off timings shall be observed by Mutual Fund in respect of purchase/ redemption/ switches of units of the scheme, and the following NAVs shall be applied in each case:</p> <p><b>i. APPLICABLE NAV FOR SUBSCRIPTIONS/ PURCHASE INCLUDING SWITCH-IN OF UNITS</b></p> <ul style="list-style-type: none"> <li>• In respect of valid applications received upto 1.30 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the Scheme before the cut-off time - the closing NAV of the Business day shall be applicable.</li> <li>• In respect of valid applications received after 1.30 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme either on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.</li> <li>• Irrespective of the time of receipt of application, where the funds for the</li> </ul> |

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|                                                                                                                                                             | <p>entire amount are credited to the bank account of the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable.</p> <p><b>ii. APPLICABLE NAV FOR REDEMPTIONS INCLUDING SWITCH-OUTS</b></p> <ul style="list-style-type: none"> <li>• In respect of valid applications received up to 3.00 p.m., the closing NAV of day immediately preceding the next business day;</li> <li>• In respect of valid applications received after 3:00 p.m., the closing NAV of the next business day.</li> </ul> <p>Provided that in case application is received through online mode, the cut-off timing of 7.00 p.m. shall be applicable.</p> <p>For determining the applicable NAV for allotment of units in respect of purchase / switch-in in the Scheme, it shall be ensured that:</p> <ul style="list-style-type: none"> <li>• Application is received before the applicable cut-off time.</li> <li>• Funds for the entire amount of purchase/switch in as per the application are credited to the bank account of the Scheme before the cut-off time.</li> </ul> <p>The funds are available for utilization before the cut-off time. The aforesaid provisions shall also be applicable to systematic transactions like Systematic Investment Plan, Systematic Transfer Plan, etc.</p> <p>The above-mentioned cut-off timing shall also be applicable to transactions through the online platform.</p> |
| <p>Minimum amount for purchase/redemption/switches (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.</p> | <p>A. Application Amount (Other than fresh purchase through SIP) – Rs.5,000/- and in multiples of Rs.1 thereafter.</p> <p>B. Additional Purchase – Rs.500/- and in multiples of Rs.1/- thereafter.</p> <p>C. Redemption Amount – Rs.500/- and in multiples of Rs.1/- thereafter or account balance whichever is lower (except demat units).</p> <p><b>D. SIP Amount –</b></p> <ol style="list-style-type: none"> <li>Daily – Rs. 100/- and in multiples of Rs.1/- thereafter.</li> <li>Monthly – Rs. 200/- and in multiples of Rs.1/- thereafter.</li> <li>Quarterly – Rs. 1,000/- and in multiples of Rs.1/- thereafter</li> </ol> <p>In case the investor specifies the number of units and amount to be redeemed, the number of units shall be considered for redemption. In case the unit holders does not specify the number of units or amount to be redeemed, the redemption request will not be processed.</p> <p>The AMC reserves the right to change the minimum amounts for various purchase/ redemption/ switch. Such changes shall only be applicable to transactions on a prospective basis.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| Accounts Statements                                          | <p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds and holdings at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month on registered email address on or before 12th of the succeeding month and by 15th of the succeeding month for those who have opted for physical copy.</p> <p>Half-yearly CAS shall be issued to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable, at the end of every six months (i.e. September/ March) on or before 18th day of succeeding month on registered email address and 21st day of succeeding month through physical copy for those who do not have registered email addresses.</p> <p>For further details, refer SAI.</p> |
| Dividend/ IDCW                                               | <p>The payment of IDCW (dividend) to the unitholders shall be made within 7 working days from the record date, subject to availability of Distributable surplus on the record date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Redemption                                                   | <p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>In case of exceptional circumstances listed in AMFI Circular No. AMFI/35P/MEM-COR/74/2022-23 dated 16th January 2023, redemption payment would be made within the permitted additional timelines prescribed. For details, please refer SAI.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Bank Mandate                                                 | <p>In order to protect the interest of Unit holders from fraudulent encashment of redemption / Income Distribution cum capital withdrawal cheques, it is mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques / warrants and / or any delay / loss in transit.</p> <p>For further details please refer to the SAI.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Delay in payment of redemption /repurchase proceeds/dividend | <p>The Asset Management Company shall be liable to pay interest to the unitholders at 15% per annum rate as specified vide paragraph 14.2 of SEBI Master Circular for Mutual Funds or such other rate as may be specified by SEBI from time to time, for the period of such delay.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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| <p>Unclaimed Redemption and Income<br/>Distribution cum Capital Withdrawal Amount</p>   | <p>Necessary forms / documents required for claiming unclaimed redemption and IDCW (dividend) amounts are available on the website of LIC Mutual Fund. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), shall be separately disclosed to investors through the periodic statement of accounts / Consolidated Account Statement sent to the investors.</p> <p>Please refer SAI for disclosures pertaining to treatment of unclaimed redemption and IDCW (dividend) amounts in terms of paragraph 14.3 of SEBI Master Circular for Mutual Funds.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>Disclosure w.r.t investment by minors</p>                                            | <p><b>Process for Investments made in the name of a Minor through a Guardian:</b><br/>As per Paragraph 17.6 of SEBI Master Circular for Mutual Funds the following Process for Investments in the name of a Minor through a Guardian will be applicable:</p> <p>Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.</p> <p>Irrespective of the source of payment for subscription, all redemption /Income Distribution cum Capital Withdrawal proceeds shall be credited only in the verified bank account of the minor (i.e., bank account of the minor or minor's joint bank account with parent/legal guardian). Investors are requested to update the minor's bank account details in the respective folios by submitting the mandatory documents for receiving redemption/ IDCW payout.</p> <p>Minor Unit Holder on becoming Major may inform the RTA about attaining Majority Age and provide his specimen signature duly authenticated by his banker as well as his details of bank account and PAN (if required) and other necessary details as required as per Paragraph 17.6 of SEBI Master Circular for Mutual Funds to enable the RTA to update their records and allow him to operate the Account in his own right. The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions shall be permitted till the documents for changing the status is received.</p> |
| <p>Any other disclosure in terms of Consolidated Checklist on Standard Observations</p> | <p><b>Minimum balance to be maintained and consequences of non maintenance:</b></p> <p>There is no minimum balance requirement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>Requirement of minimum investors in the scheme</p>                                   | <p>In accordance with paragraph 6.11 of SEBI Master Circular for Mutual Funds, the Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. In case the Scheme does not have a minimum of 20 investors, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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|                  | <p>complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over 25% limit. Failure on the part of the said investor to redeem his exposure over 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.</p> |
| Cash Investments | <p>The AMC shall accept cash investment under the Scheme.</p> <p>For further details, refer SAI.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

### III. Other Details

**A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided – Not Applicable**

#### **B. Periodic Disclosures**

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| <p><b>Disclosures: Portfolio (Fortnightly, Monthly and Half Yearly)</b></p> | <p>The Mutual Fund/AMC will disclose portfolio of the Scheme (along with ISIN) as on the last day of the month/ half year for all their schemes in the format prescribed by SEBI on its website (<a href="http://www.licmf.com">www.licmf.com</a>) and on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) within 10 days from the close of each month/ half year respectively in a user-friendly and downloadable spreadsheet format.</p> <p>In case of Unitholders whose e-mail addresses are registered, the Mutual Funds/ AMC shall send via email both the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month/ half-year respectively.</p> <p>Further, in terms of Paragraph 5.1 of SEBI Master Circular for Mutual Funds, for debt schemes, portfolio disclosure will be done on fortnightly basis within 5 days of every fortnight.</p> <p>Mutual Fund/ AMC shall publish an advertisement every half-year disclosing the hosting of the half-yearly statement of its Schemes portfolio on their respective website and on the website of AMFI. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.</p> <p>Mutual Funds/AMCs shall provide a physical copy of the statement of it scheme portfolio without charging any cost, on specific request received from a Unitholder.</p> |
| <p><b>Half Yearly Results</b></p>                                           | <p>Mutual Fund / AMC shall within one month from the close of each half year, (i.e. 31st March and on 30th September), host a soft copy of its unaudited financial results on its website (<a href="http://www.licmf.com">www.licmf.com</a>). Further, the Mutual Fund / AMC shall publish an advertisement disclosing the hosting of such unaudited half yearly financial results on their website, in at least one national English daily newspaper and a regional newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>Annual Report or Abridged annual Report</b></p>                       | <p>The Scheme wise annual report or an abridged summary thereof shall be provided to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e., 31st March each year). Scheme wise annual report shall be displayed on the website of the AMC (<a href="http://www.licmf.com">www.licmf.com</a>) and Association of Mutual Funds in India (<a href="http://www.amfiindia.com">www.amfiindia.com</a>). In case of unitholders whose email addresses are available with the Mutual Fund, the scheme annual reports or abridged summary would be sent only by email.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|                                       | <p>The unitholders whose e-mail addresses are not registered with the Fund are requested to update / provide their email address to the Fund for updating the database. Physical copy of scheme wise annual report or abridged summary shall be provided to investors who have opted to receive the same.</p> <p>The full annual report shall be available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any. The AMC shall publish an advertisement every year, in the 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 AMC website (<a href="http://www.licmf.com">www.licmf.com</a>) and on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p>                                                                                                                                                                                                                                                                              |
| <b>Product Labeling/ Risk-o-meter</b> | <p>In terms of Paragraph 17.4 of SEBI Master Circular for Mutual Funds, the Mutual Fund/AMC shall evaluate the Risk-o-meter of the Scheme and its Benchmarks on a monthly basis and shall disclose the same along with portfolio disclosure of the Scheme on its website viz. <a href="http://www.licmf.com">www.licmf.com</a> and on the website of AMFI viz. <a href="http://www.amfiindia.com">www.amfiindia.com</a> within 10 days from the close of each month. Further, any change in Risk-o-meter of the Scheme and/or Benchmark shall be communicated by way of Notice-cum-Addendum and by way of an e-mail or SMS to unitholders of the Scheme. The risk level of the Scheme as on March 31 of every year, along with the number of times the risk level has changed over the year shall be disclosed on its website and AMFI website. Risk-o-meter details shall also be disclosed in scheme-wise Annual Reports and Abridged summary.</p>                                                                                                                                                                                                                     |
| <b>Scheme Summary Document (SSD)</b>  | <p>In accordance with SEBI letter No. SEBI/HO/OW/IMD-II/DOF3/P/397002021 dated 28<sup>th</sup> December 2021 and AMFI emails dated 16<sup>th</sup> March 2022 and 25<sup>th</sup> March 2022, Scheme summary document for all schemes of LIC Mutual Fund in the requisite format (pdf, spreadsheet and machine readable format) shall be uploaded on a monthly basis or on changes in any of the specified fields, whichever is earlier on the website of</p> <ul style="list-style-type: none"> <li>• LIC Mutual Fund i.e. <a href="http://www.licmf.com">www.licmf.com</a>,</li> <li>• AMFI (<a href="https://www.amfiindia.com/research-information/other-data/scheme-details">https://www.amfiindia.com/research-information/other-data/scheme-details</a>)</li> <li>• National Stock Exchange of India Limited (<a href="https://www.nseindia.com/market-data/securities-available-for-trading">https://www.nseindia.com/market-data/securities-available-for-trading</a>)</li> <li>• BSE Limited (<a href="https://www.bseindia.com/Static/Markets/MutualFunds/listOfAMC.aspx">https://www.bseindia.com/Static/Markets/MutualFunds/listOfAMC.aspx</a>).</li> </ul> |
| <b>Product Dashboard</b>              | <p>The AMC shall have a dashboard on their website (<a href="http://www.licmf.com">www.licmf.com</a>) providing performance and key disclosures pertaining to the schemes managed by AMC. The Dashboard shall include information such as the scheme's AUM, investment objective, expense ratios, portfolio details, scheme's past performance, among others. The Dashboard shall be provided in a comparable, downloadable (spreadsheet) and machine-readable format.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

### C. Transparency/NAV Disclosure –

The Mutual Fund / AMC shall update the NAVs on the website of LIC Mutual Fund (www.licmf.com) and on the website of Association of Mutual Funds in India - hereinafter referred to as AMFI (www.amfiindia.com) by 11.00 p.m. on every Business Day.

In case of any delay beyond the aforesaid timelines, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.

The NAV shall be calculated on all business days. Investors may write to the AMC for availing the facility of receiving the latest NAVs through SMS.

### D. Transaction charges and stamp duty

- **Transaction Charges**

Pursuant to SEBI circular reference no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/115 dated August 08, 2025 payment of transaction charges to distributors have been discontinued

- **Stamp Duty**

Pursuant to part I of Chapter IV of the Notification dated 21<sup>st</sup> February 2019, issued by the Legislative Department, Ministry of Law and Justice, Government of India, on the Finance Act, 2019, read with subsequent notifications dated 10<sup>th</sup> December 2019 and 30<sup>th</sup> March 2020 issued by Department of Revenue, Ministry of Finance, Government of India, Paragraph 2.9 of SEBI Master Circular for Mutual Funds, stamp duty @0.005% of the transaction value would be levied on applicable mutual fund transactions. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including Income Distribution cum Capital Withdrawal (IDCW) reinvestment and Switch in) to the unitholders would be reduced to that extent.

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

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

| Income                                                             | Resident Investors<br>(Individuals/ Hindu Undivided Family/Association of Person/Body of Individuals and Domestic Companies) | Foreign Portfolio Investors | Mutual Fund (as an investor) |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|
| <b>Tax on dividend</b>                                             | As per Slab rates/income tax rate                                                                                            | 20%                         | NIL                          |
| Capital Gain<br>Long Term (Period of holding more than 24 months): | 12.5%<br>(No indexation)                                                                                                     | 12.5%                       | NIL                          |
| Short Term (Period of holding less than or equal to 24 months):    | Income tax rate applicable to the Unit holders as per their income.                                                          | 30%                         | NIL                          |

All tax rates mentioned above are base rates and will be increased by applicable surcharge and cess.

Long term capital gain exemption of Rs. 1,25,000 available on aggregate gains under section 112A of the Income-tax Act, 1961 ('the Act') in a financial year.

The information set out is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does it constitute tax or legal advice. In view of the individual nature of tax implications, investors should make his/her/their own investigation and/or are advised to consult their professional tax advisor. For further details on taxation, please refer Statement of Additional Information (SAI).

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

**H. List of official points of acceptance:** Please refer Link for complete List of Official Points of Acceptance at <https://www.licmf.com/sid-disclosure>

**I. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations For Which Action May Have Been Taken Or Is In The Process Of Being Taken By Any Regulatory Authority**  
– Please refer the link <https://www.licmf.com/sid-disclosure>

**Notes:**

The Scheme under this Document has been approved by the Trustees. The Trustees have ensured that LIC MF Overnight Fund approved by them is a new product offered by LIC Mutual Fund and is not a minor modification of its existing Schemes.

Any dispute arising out of this issue shall be subject to the exclusive jurisdiction of the Courts in India. Statements in this Scheme Information Document are, except where otherwise stated, based on the law, practice currently in force in India, and are subject to changes therein.

*Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under and guidelines and directives issued by SEBI from time to time shall be applicable.*

**For and on behalf of the Board of Directors of  
LIC Mutual Fund Asset Management Limited**

Sd / -

**Date: 27<sup>th</sup> November 2025  
Place: Mumbai**

**Ravi Kumar Jha  
Managing Director & Chief Executive Officer**