kotak® Mutual Fund

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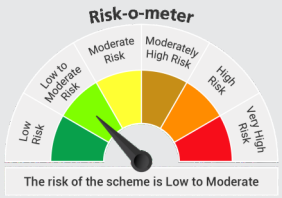
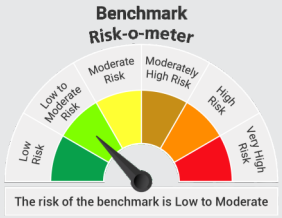
SCHEME INFORMATION DOCUMENT (SID)

SECTION I

Kotak Savings Fund

(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk.)

Product Label	Scheme Riskometer	Benchmark Riskometer
This product is suitable for investors who are seeking*: • Income over a short term investment horizon • Investment in debt & money market securities with portfolio Macaulay duration between 3 months & 6 months		 Nifty Ultra Short Duration Debt Index A-I

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

(The above risk-o-meter is based on the scheme portfolio as on October 31, 2025. An addendum may be issued or updated in accordances with provisions of Para 17.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 on an ongoing basis on the website viz. www.kotakmf.com)

Potential Risk Class ("PRC") Matrix of the Scheme

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

Continuous Offer for Units at NAV based prices

Scheme Re-opens on: August 13, 2004

Name of Mutual Fund	Kotak Mahindra Mutual Fund
Name of Asset Management Company	Kotak Mahindra Asset Management Company Ltd CIN: U65991MH1994PLC080009
Name of Trustee Company	Kotak Mahindra Trustee Company Ltd CIN: U65990MH1995PLC090279
Registered Address of the Companies	27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E),Mumbai - 400051
Corporate Office Address of Asset Management Company	2nd Floor, 12-BKC, Plot No. C-12, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051
Website	www.kotakmf.com

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 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 Kotak Mahindra Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.kotakmf.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 November 28, 2025.

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Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the scheme**	Kotak Savings Fund
II.	**Category of the Scheme**	**Debt Scheme – Ultra Short Duration Fund**
III.	**Scheme type**	An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk.
IV.	**Scheme code**	**KOTM/O/D/USD/04/07/0013**
V.	**Investment objective**	The investment objective of the Scheme is to generate returns through investments in debt and money market instruments with a view to reduce the interest rate risk. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved.
VI.	**Liquidity/listing details**	The Scheme offers Units for Subscription and Redemption at NAV based prices on each Business Days on an ongoing basis. Since the Scheme is open-ended, it is not necessary to list the units of the Scheme on any exchange.
VII.	**Benchmark (Total ReturnIndex)**	**Benchmark -**Nifty Ultra Short Duration Debt Index A-I **Benchmark rationale:** The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.
VIII.	**NAV disclosure**	The NAVs of the Scheme will be calculated and disclosed on every Business Day on the website of the Kotak Mahindra Mutual Fund viz www.kotakmf.comand AMFI's website www.amfiindia.comby 11.00 p.m. For further details, refer Section II.
IX.	**Applicable timelines**	**Dispatch of redemption proceeds** The Mutual Fund shall initiate payment of redemption or repurchase proceeds to the unitholders within three working days from the date of redemption or repurchase.

		In case of exceptional situations listed in AMFI Circular No. AMFI/35P/MEM-COR/74/2022-23 dated January 16, 2023, the scheme shall is allowed additional timelines for transfer of redemption or repurchase proceeds to the unitholders. **Dispatch of IDCW** The Income Distribution cum capital withdrawal (IDCW) payments shall be dispatched to the unitholders within seven working days from the record date.
X.	**Plans and Options** Plans/Options and suboptions under the Scheme	**Plan- Direct Plan/Regular Plan** Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. Regular Plan: This Plan is for investors who wish to route their investment through any distributor. **Options under each Plan(s)** • Growth • Income Distribution cum Capital Withdrawal (IDCW) i. Payout of Income Distribution cum Capital Withdrawal Option ii. Reinvestment of Income Distribution cum Capital Withdrawal Option **Default Option /Sub-Options** • If applicant does not indicate the choice of option between growth and Income Distribution cum capital withdrawal (IDCW) option in the application form, then the fund will accept it as an application for growth option under respective plan. • If applicant does not indicate the choice of Income Distribution cum capital withdrawal (IDCW) sub-option between payout of Income Distribution cum capital withdrawal (IDCW) and reinvestment of Income Distribution cum capital withdrawal (IDCW) then the fund will accept it as an application for reinvestment of Income Distribution cum capital withdrawal (IDCW). For detailed disclosure on default plans and options, kindly refer SAI.

XI.	**Load Structure**	**Exit Load:** NIL No exit load will be chargeable in case of switches made between different plans/options of the scheme. The AMC reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the SEBI (MF) Regulations and circulars issued thereunder from time to time.
XII.	**Minimum Application Amount/switch in**	Initial Purchase (Non- SIP)-Rs. 100/- and any amount thereafter SIP Purchase -Rs. 100/- and any amount thereafter
XIII.	**Minimums Additional Purchase Amount**	Rs. 100/- and any amount thereafter
XIV.	**Minimum Redemption/switch out amount**	The minimum redemption amount for all plans will be Rs. 1000/- or 100 units or account balance, whichever is lower.
XV.	**New Fund Offer Period** This is the period during which a new scheme sells its units to the investors.	This does not apply to the scheme, as the ongoing offer of the Scheme has commenced after the NFO period, and the units are available for continuous subscription and redemption.
XVI.	**New Fund Offer Price:** This is the price per unit that the investors have to pay to invest during the NFO.	This does not apply to the scheme, as the ongoing offer of the Scheme has commenced after the NFO period, and the units are available for continuous subscription and redemption.
XVII.	**Segregated portfolio/ side pocketing disclosure**	Segregation of portfolio has been enabled in the scheme. For Details, kindly refer SAI
XVIII	**Swing pricing disclosure**	Swing Pricing has been enabled in the scheme. For Details, Kindly refer SAI.
XIX.	**Stock lending/short selling**	Stock lending has been enabled in the scheme. For Details, kindly refer SAI.
XX.	**How to Apply and other details**	Investors should apply through a common application form/online. Investors, are requested to go through the Guidelines / instructions in Key Information Memorandum (KIM) cum application form for filling up the application form before investing. The investors signature on the main application form shall be the basis for all future transactions processing. Existing investors can use their Folio number at the time of investing in the same scheme or any scheme of Kotak Mahindra Mutual Fund. All cheques and drafts should be crossed "Account Payee Only" and drawn in favour the scheme name in which investment is intended to be made. The investors can submit the Application forms and Key Information Memorandum (along with transaction slip)/ forms for redemption/ switches at the branches of AMC or Investor

		Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Registrar (CAMS) or distributors or on the website of Kotak Mahindra Mutual Fund (www.kotakmf.com). Investors are also advised to refer to Statement of Additional Information before submitting the application form. For Further details refer section II.
XXI.	**Investor services**	• Contact details for general service requests: 18003091490 / 044-40229101 (Monday to Friday between 9.30am to 6.00 pm & Saturday between 9.30am to 12.30pm) https://www.kotakmf.com/feedback/customer • Contact details for complaint resolution: Ms. Sushma Mata, Investor Relations Officer Kotak Mahindra Asset Management Company Limited, 6thFloor, Kotak Towers, Building No.21, Infinity Park, Off: Western Express Highway Goregaon - Mulund Link Road, Malad(East), Mumbai 400097 Phone Number:18003091490 / 044-40229101 Fax: 6708 2213 e-mail:https://info.kotakmf.com/write-to-usor WhatsApp us by sending us "Hi" at 9321884488. For portfolio valuation, give a missed call to 7039055555
XXII	**Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (asapplicable)**	**IDCW Frequency** IDCW is declared subject to availability and adequacy of distributable surplus. **IDCW Record Dates:** Monthly IDCW Option - 12th of every Month(If the record date is not a Business Day, the immediately following Business Day will be the record date)
XXIII	**Special product/facility available during the NFO and on ongoing basis**	Following facilities are available 1. Systematic Investment Plan (SIP) 2. SIP Top Up Facility 3. Systematic Withdrawal Plan (SWP) 4. Systematic Transfer Plan (STP) 5. Transfer of IDCW Facility 6. Switching 7. Daily frequency under Systematic Transfer Plan Facility 8. SIP Pause Facility 9. Smart Facility i.e Smart Systematic Transfer Plan(SSTP) 10. Freedom SIP Facility
XXIV	**Weblink**	A weblink wherein TER for last 6 months viz- https://www.kotakmf.com/Information/TER,Daily TER as well as scheme factsheet shall be made available athttps://www.kotakmf.com/Information/statutory-disclosure/information

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

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

Date: November 28, 2025

Name: Ms. Jolly Bhatt

Designation: Compliance Officer

Place: Mumbai

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

This includes asset allocation table giving the broad classification of assets and indicative exposure level in percentage terms. The asset allocation should be consistent with the investment objective of the scheme and SEBI circulars on Categorization and Rationalization of Mutual Fund Schemes.

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Debt & Money market instruments including government securities	0	100

*Debt securities/instruments are deemed to include securitised debts and investment in securitized debts could be up to 50% of the net assets of the Scheme.

Money Market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time;

The Macaulay duration* of the portfolio would be between 3 months & 6 Months.

*The Macaulay duration of a bond is the weighted average maturity of cash flows, which acts as a measure of a bond's sensitivity to interest rate changes. Bonds with a higher duration will carry more risk, and hence have a greater volatility in prices, when compared to bonds with lower durations. It is calculated as below:

$$\text{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t * C}{(1+y)^t} + \frac{n * M}{(1+y)^n}}{\text{Current Bond Price}}$$

Where:
· t = respective time period
· C = periodic coupon payment
· y = periodic yield
· n = total number of periods
· M = maturity value
· Current Bond Price = Present value of cash flows

The scheme retains the flexibility to invest across all the securities in the debt and Money Markets Instruments.

Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to theparagraph 12.16 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, as may be amended from time to time. The AMC shall not charge any investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks for the scheme.

The Scheme will invest upto a maximum of 20% of debt portion of the Scheme in foreign securities as specified in the Para 12.19 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90dated June 27, 2024andSEBI circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/149 dated November 04, 2024,as may be amended from time to time, within the overall applicable limits.

"Foreign Securities" means Securities as specified in paragraph 12. 19 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024and any subsequent amendments thereto specified by SEBI and/or RBI from time to time.

To reduce the risk of the portfolio, the Scheme may use various derivative and hedging products from time to time, in the manner permitted by SEBI.

Subject to the Regulations and the applicable guidelines issued by SEBI, the Trustee may permit the Fund to engage in securities lending and borrowing and short selling. At present, since only lending is permitted, the Fund may temporarily lend securities held with the Custodian to reputed counter-parties or on the exchange, for a fee, subject to prudent limits and controls for enhancing returns. The Fund, as per the current regulations is allowed to lend securities subject to a maximum of 50%, in aggregate, of the net assets of the Scheme and 50% of the net assets of the Scheme in the case of a single intermediary.

The scheme may participate in the corporate bond repo transactions and in accordance with extant SEBI/RBI guidelines and any subsequent amendments thereto specified by SEBI and/or RBI from time to time. The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.

The Scheme shall invest in debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption referred in Para 12.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. The Scheme shall not invest more than 10% of its NAV of the debt portfolio of the scheme in such instruments and not more than 5% of its NAV of the debt portfolio of the Scheme in such instruments issued by a single issuer having special features or within such limits as permitted by SEBI from time to time.

The scheme shall maintain liquid assets in the form of Redemption at Risk (RaR) and Conditional Redemption at Risk (CRaR) which shall be 10% of their net assets in liquid assets in terms of Para 4.2 of SEBI Master Circular no.SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024or as prescribed at Annexure 1 of AMFI Best Practices Guidelines Circular No.117 / 2024-25 dated November 13, 2024, whichever is higher.

The schemes shall maintain the above two ratios at 100% of the requirement on a daily basis. However, to meet redemptions, AMCs may have to periodically dip into their liquid assets which may result in the liquidity ratio dropping below 100% on those days. To factor in such scenarios, the scheme shall ensure that the ratio is restored to 100% of the requirement by ensuring the net inflows (through net

subscription/accruals/ maturity & sale proceeds) into the scheme are used for restoring the ratios before making new purchases outside 'Eligible Assets'. In case the ratio remains below 100% for more than 15 consecutive days, then, this information shall be highlighted to Trustees till such time the said ratio is not restored to 100% of the requirement on weekly basis.

The scheme shall ensure that for asset allocation limits as provided in above circular, the base shall be considered as net assets excluding the extent of minimum stipulated eligible assets i.e. higher of 10% of net assets or LR-CRaR as prescribed at Annexure 1 of AMFI Best Practices Guidelines Circular No.117 / 2024-25 dated November 13, 2024.

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996, read withPara 16A.2 of SEBI Master Circular no.SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme(s) shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sl. no	Type of Instrument	Percentage of exposure (Maximum)	Circular references
1.	Securities Lending	Aggregate - 50% of net assets of the Scheme Single intermediary -50% of the net assets of the Scheme	Para 12.11.2.1 of Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024
2.	Securitized Debt	50% of the net assets	Para 12.15.1 of Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024
3.	Overseas Investments	20% of the debt portion	Para 12.19 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 andSEBI circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/149 dated November 04, 2024

4.	Repo transactions in corporate debt securities	10 % of the net assets	Para 12.18 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024
5.	Instruments having Special Features	10% of its NAV of the debt portfolio Single issuer limit - 5% of its NAV of the debt portfolio	12.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024

Portfolio Rebalancing:
As per para 2.9 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, in the event of any deviation from mandated asset allocation mentioned above, due to passive breaches, rebalancing period will be Thirty (30) business days. In case the portfolio is not rebalanced within Thirty (30) business days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if so desired, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio of the scheme is not rebalanced within the aforementioned mandated plus extended timelines, the AMC shall not launch any new scheme till the time the portfolio is rebalanced and also not levy exit load, if any on the investors exiting the Scheme. However, at all times the portfolio will adhere to the overall investment objective of the Scheme.

Short Term Defensive Consideration
As per Para 1.14.1.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the asset allocation pattern indicated above may change for a short term period on defensive considerations, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions may vary depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the Unit holders. In case of any deviation, the portfolio shall be rebalanced within 30 calendar days.

B. WHERE WILL THE SCHEME INVEST?

Subject to the Regulations, the amount collected under the scheme can be invested in any (but not exclusively) of the following securities/ instruments, as per the indicative asset allocation given under the heading “How will the Scheme allocate its assets”:

1. Securities created and issued/ guaranteed by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
2. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee (including but not limited to Indian Government Bond, State Development Loans issued and serviced at the Public Debt Office, Bonds issued by Central &State Government PSU’s which are guaranteed by Central or State Governments)
3. Corporate debt (of both public and private sector undertakings) including Non-convertible debentures (including bonds) and non-convertible part of convertible securities.

4. Obligations/ Term Deposits of banks (both public and private sector) and development financial institutions to the extent permissible under SEBI Regulations.
5. Money market instruments permitted by SEBI/RBI, having maturities of up to one year or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
6. Certificate of Deposits (CDs).
7. Commercial Paper (CPs).
8. Repo of corporate debt securities
9. Securitised Debt, not including foreign securitised debt.
10. Offshore securities / offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.
11. The non-convertible part of convertible securities.
12. Any other domestic fixed income securities as permitted by SEBI / RBI from time to time.
13. Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Interest Rate Futures (IRFs) (both perfectly and imperfectly hedged) and such other derivative instruments permitted by SEBI/RBI.
14. Triparty repo on Government securities or treasury billsor repo or any alternative investment as may be provided by RBI.
15. Foreign securities including ADR/GDR of Indian or foreign Companies.
16. Investment in CDMDF-In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. Para 16A.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, AMC shall make a one-time contribution equivalent to 2 bps of the AUM of the specified debt oriented schemes as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days of request from CDMDF.
17. Any other instruments / securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations.

Note:
The securities/debt instruments mentioned above could be listed or unlisted, secured or unsecured, rated or unrated and of varying maturities and other terms of issue. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per guidelines/regulations applicable to such transactions.

Investment in Foreign Securities
The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to the provisions ofPara 12.19 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024and as may be amended from time to time and any other requirements as may be stipulated by SEBI/RBI from time to time.

The Scheme may, in terms of its investment objectives with the approval of SEBI/RBI invest in following Foreign Securities:

i. ADRs/ GDRs issued by Indian or foreign companies
ii. Equity of overseas companies listed on recognized stock exchanges oversea
iii. Initial and follow on public offerings for listing at recognized stock exchanges overseas
iv. Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
v. Money market instruments rated not below investment grade
vi. Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
vii. Government securities where the countries are rated not below investment grad
viii. Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
ix. Short term deposits with banks overseas where the issuer is rated not below investment grade
x. Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in
(a) aforesaid securities,
(b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or
(c) unlisted overseas securities (not exceeding 10% of their net assets).

The Scheme can invest in overseas securities subject to a maximum of US $1 billion within the overall industry limit of US $ 7 billion wherein US $ 50 million would be reserved for each mutual fund individually, with in the overall industry limit of US $ 7 billion or such limits as may be prescribed by SEBI from time to time and in overseas ETF subject to maximum of US $300 million such limits as may be prescribed by SEBI from time to time. An investment headroom of 20% of the average AUM in Overseas securities of the previous three calendar months would be available to the Mutual Fund for that month to invest in Overseas securities / Overseas ETFs subject to maximum limits of US $ 1 billion per Mutual Fund.

The Mutual Fund may, where necessary appoint intermediaries as sub-managers, sub-custodians, etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses as stated under Regulation 52 of SEBI (MF) Regulations.

C. WHAT ARE THE INVESTMENT STRATEGIES?

Subject to the Regulations, the amount collected under the scheme can be invested in any (but not exclusively) of the following securities/ instruments, as per the indicative asset allocation given under the heading "How will the Scheme allocate its assets":

1. Securities created and issued/ guaranteed by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
2. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee (including but not limited to Indian Government Bond, State Development Loans issued and serviced at the Public Debt Office, Bonds issued by Central &State Government PSU's which are guaranteed by Central or State Governments)
3. Corporate debt (of both public and private sector undertakings) including Non-convertible debentures (including bonds) and non-convertible part of convertible securities.
4. Obligations/ Term Deposits of banks (both public and private sector) and development financial institutions to the extent permissible under SEBI Regulations.
5. Money market instruments permitted by SEBI/RBI, having maturities of up to one year or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
6. Certificate of Deposits (CDs).
7. Commercial Paper (CPs).
8. Repo of corporate debt securities
9. Securitised Debt, not including foreign securitised debt.
10. Offshore securities / offshore debt securities, in the manner allowed by SEBI/RBI, provided such investments are in conformity with the investment objective of the Scheme and the prevailing guidelines and Regulations.
11. The non-convertible part of convertible securities.
12. Any other domestic fixed income securities as permitted by SEBI / RBI from time to time.
13. Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Interest Rate Futures (IRFs) (both perfectly and imperfectly hedged) and such other derivative instruments permitted by SEBI/RBI.
14. Triparty repo on Government securities or treasury billsor repo or any alternative investment as may be provided by RBI.
15. Foreign securities including ADR/GDR of Indian or foreign Companies.

16. Investment in CDMDF-In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. Para 16A.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, AMC shall make a one-time contribution equivalent to 2 bps of the AUM of the specified debt oriented schemes as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days of request from CDMDF.

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17. Any other instruments / securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations.

Note:
The securities/debt instruments mentioned above could be listed or unlisted, secured or unsecured, rated or unrated and of varying maturities and other terms of issue. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per guidelines/regulations applicable to such transactions.

Portfolio Turnover

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The Scheme has no specific target relating to turnover of securities, given the low liquidity in the debt market. However, the turnover is guided by sale and purchase of securities arising out of the purchase and redemption of Units. Trading opportunities may arise due to changes in system liquidity, interest rate policy announced by RBI, shifts in the yield curve, change or anticipation of change in the credit worthiness or credit rating of securities or any other factors, which may lead to increase in the turnover. The fund manager will endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. The Scheme has no specific target relating to portfolio turnover.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

Benchmark -Nifty Ultra Short Duration Debt Index A-I

Benchmark rationale:
The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.

E. WHO MANAGES THE SCHEME?

Name	Age	Qualification	Business Experience	Schemes Managed
Mr. Deepak Agrawal	43 years	Post Graduate in Commerce, Chartered Accountant, Company Secretary.	Mr. Deepak Agrawal's career has started from Kotak AMC when he joined the organization in December 2002 where he was initially in Research, Dealing and then moved into Fund Management from November 2006	• Kotak Banking and PSU Debt Fund • Kotak Bond Short Term Fund • Kotak Corporate Bond Fund • Kotak Credit Risk Fund • Kotak Dynamic Bond Fund • Kotak Floating Rate Fund • Kotak FMP Series 292 • Kotak FMP Series 300 • Kotak FMP Series 304 • Kotak FMP Series 305 • Kotak FMP Series 308 • Kotak FMP Series 310 • Kotak Liquid Fund • Kotak Low Duration Fund • Kotak Medium Term Fund • Kotak Money Market Fund

				• Kotak Overnight Fund • Kotak Savings Fund
Mr. Manu Sharma	44 years	Chartered Accountant from the Institute of Chartered Accountants of India & M. Com	Mr. Manu Sharma has over 17 years of experience in the fields of Fixed Income Fund Management, Operations, Finance Audit and Taxation. He joined Kotak AMC from Deskera Systems in September 2019 and was based out of Bangalore/Singapore for one year. Prior to it Mr. Manu was with Kotak AMC since September 2006 to June 2018 and has handled major assignments like the Fund Management, Operations and Finance for the Kotak AMC.	• Kotak Corporate Bond Fund • Kotak Crisil IBX Financial Services 9 - 12 Months Debt Index Fund • Kotak Crisil IBX financial services 3 - 6 months Debt Index Fund • Kotak Floating Rate Fund • Kotak FMP Series 292 • Kotak FMP Series 300 • Kotak FMP Series 304 • Kotak FMP Series 305 • Kotak FMP Series 308 • Kotak FMP Series 310 • Kotak Money Market Fund • Kotak Savings Fund

Name of Fund Manager	Tenure of Managing the Scheme	Tenure in years
Mr. Deepak Agrawal	01/04/2008	17.51
Mr. Manu Sharma	01/11/2022	2.92

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

The list of existing schemes under Debt schemes are given below:

1. Kotak Savings Fund
2. Kotak Low Duration Fund
3. Kotak Liquid Fund
4. Kotak Money Market Fund
5. Kotak Overnight Fund
6. Kotak Medium Term Fund
7. Kotak Corporate Bond Fund
8. Kotak Banking and PSU Debt Fund
9. Kotak Long Duration Fund
10. Kotak Bond Fund
11. Kotak Bond Short Term Fund
12. Kotak Credit Risk Fund
13. Kotak Dynamic Bond Fund
14. Kotak Floating Rate Fund
15. Kotak Gilt Fund

The detailed comparative table will be available in the given link:https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim

G.HOW HAS THE SCHEME PERFORMED ?

Performance of the scheme as on September 30, 2025

Compounded Annualized Growth Rate	Kotak Savings Fund	NIFTY Ultra Short Duration Debt Index A-I #
Returns Since Inception	7.20%	7.53%
Returns for the last 1 year	7.08%	7.30%
Returns for the last 3 years	6.97%	7.40%
Returns for the last 5 years	5.61%	5.99%

Scheme Inception date is 13/08/2004.Past performance may or may not be sustained in future

Scheme Inception date is 13/08/2004.Past performance may or may not be sustained in future

H. ADDITIONAL SCHEME RELATED DISCLOSURES

(i) Scheme's portfolio holdings: Top 10 holdings by issuer and fund allocation will be available in the given link -**https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim**

(ii) **Portfolio Disclosure**– Fortnightly / Monthly/ Half Yearly- The detailed portfolio and related disclosures for the scheme please refer our websitehttps://www.kotakmf.com/Information/statutory-disclosure/information"

(iii)**Aggregate investment in the Scheme by: As on September 30, 2025**

Fund Manager Name	**Units**	**NAV Value**	**Market Value in Crores (in Rs)**
Deepak Agrawal	29824.242	45.655	0.136
Manu Sharma	16636.194	45.655	0.076

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

Iv. Investments of AMC in the Scheme:

Pursuant to Regulation 25(16A) of the SEBI (MF) Regulations, 1996, AMC shall invest in the scheme based on the risk associated with the scheme as specified in para 6.9 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 read with AMFI Best Practice Guidelines Circular 135/BP/100/2022-23 dated 26th April 2022 and any other circulars issued there under, from time to time.

In addition to investments as mandated above, the AMC may invest in the Scheme subject to the SEBI (MF) Regulations. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

Details of Investments of AMC in the Scheme will be available in the given link – https://www.kotakmf.com/Information/statutory-disclosure/information

Part III- OTHER DETAILS

A. COMPUTATION OF NAV

The AMC shall compute NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

The AMC shall value its investments according to the valuation norms (Valuation Policy includes computation of NAV in case of investment in foreign securities), as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.

NAV of Units under the Scheme will be calculated as shown below:

NAV =	Market or Fair Value of Scheme's investments	+	Current assets including Accrued Income	-	Current Liabilities and provisions including accrued expenses
	No. of Units outstanding under the Scheme/Option.				

NAV for the Schemes and the repurchase prices of the Units will be calculated and announced at the close of each Business Day. The NAV shall be computed upto four decimals. The NAV of Direct Plan will be different than the NAV of Regular Plan.

Computation of NAV will be done after taking into account IDCWs paid, if any, and the distribution tax thereon, if applicable. Therefore, once IDCWs are distributed under the IDCW Option, the NAV of the Units under the IDCW Option would always remain lower than the NAV of the Units issued under the Growth Option. The income earned and the profits realized in respect of the Units issued under the Growth Option remain invested and are reflected in the NAV of the Units.

Investments in units of CDMDF shall be valued based on the last declared net asset value as disclosed on the website of the CDMDF Fund.

Illustration for Computation of NAV:

NAV=	Market or Fair Value of Scheme's investments	+	Current assets including Accrued Income	-	Current Liabilities and provisions including accrued expenses	
	No. of Units outstanding under the Scheme/Option.					
10.109=	10,01,00,000.00	+	10,00,000.00	-	10,000.00	10,10,90,000.00
			1,00,00,000.00			1,00,00,000.00

As required under the Regulations, the asset management company shall ensure that the repurchase price of an open ended scheme shall not be lower than 97% of the Net Asset Value.

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

B. NEW FUND OFFER (NFO) EXPENSES

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

The New Fund Offer expenses of the scheme were borne by the AMC.

C. ANNUAL SCHEME RECURRING EXPENSES

Total Expense Ratio is the total of ongoing fees and operating expenses charged to the scheme,expressed as a percentage of the scheme's daily net assets.

These fees and expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, brokerage/commission, marketing and selling costs etc.

As per Regulation 52(6)(c) of SEBI (MF) Regulations, the total expense ratio of the scheme excluding issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but including the investment management and advisory fee shall be subject to the following limits:-

Assets under management Slab (In Rs. crore)	**Total expense ratio limits**
on the first Rs.500 crores of the daily net assets	2.00%
on the next Rs.250 crores of the daily net assets	1.75%
on the next Rs.1,250 crores of the daily net assets	1.50%
on the next Rs.3,000 crores of the daily net assets	1.35%
on the next Rs.5,000 crores of the daily net assets	1.25%
on the next Rs.40,000 crores of the daily net assets	Total expense ratio reduction of 0.05% for every increase of Rs.5,000crores of daily net assets or part thereof.
on balance of the assets	0.80%

Total Expense Ratio for the scheme

The AMC has estimated following recurring expenses, as summarized in the below table for the scheme. Total expense ratio of the Scheme (including investment and advisory fees) will be subject to the maximum limits (as a percentage of Daily Net Assets of the Scheme) as per Regulation 52(6) & (6A), as amended from time to time, with no sub-limit on investment and advisory fees.

Expenses Head	% p.a. of daily Net Assets* (Estimated p.a.)
Investment Management and Advisory Fees	Upto 2.00%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps for cash market trades	
Goods and Services Tax on expenses other than investment and advisory fees	
Goods and Services Tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	**Upto 2.00%**
Additional expenses under regulation 52 (6A) (c)#	Upto 0.05%

The AMC shall not charge additional expenses under Regulation 52(6A)(c) in case exit load is not levied/ not applicable

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

However, Direct Plan shall have a lower expense ratio than the Regular Plan. The expenses would exclude distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

In terms of the Para 10.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 , all fees and expenses charged in a direct plan (in percentage terms) under various heads including

the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan.

Additional expenses which may be charged to the Scheme:
The following additional expenses may be charged to the Scheme under Regulation 52 (6A), namely-

- Brokerage and transaction cost incurred for the purpose of execution shall be charged to the scheme as provided under Regulation 52 (6A) (a) upto 12 bps and 5 bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage & transaction costs, over and above the said 12 bps and 5 bps for cash market transactions and derivatives transactions respectively may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Finds) Regulations, 1996.

  Clause 4 of Seventh Schedule to SEBI (Mutual Funds) Regulations, 1996 which restricts investments in mutual fund units upto 5% of net assets and prohibits charging of fees, shall not be applicable to investments in mutual funds in foreign countries made in accordance with guidelines as per Para 12.19 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 . However, the management fees and other expenses charged by the mutual fund(s) in foreign countries along with the management fee and recurring expenses charged to the domestic mutual fund scheme shall not exceed the total limits on expenses as prescribed under Regulation 52(6). Where the scheme is investing only a part of the net assets in the overseas mutual fund(s), the same principle shall be applicable for that part of investment.

TER for the Segregated Portfolio

1. AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
2. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
3. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
4. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Goods and Services Tax:
Goods and Services Tax on investment and advisory fees may be charged to the scheme in addition to the maximum limit of TER as prescribed in Regulation 52(6)(c). Goods and Services Tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per Regulation 52.

The aforesaid estimates are made in good faith by the Investment Manager and are subject to change inter se among the various heads of expenses and between the Plans. It may also be noted that the total expenses of the Plans will also be subject to change within the overall limits of expenses under Regulation 52. Actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations. There will be no sub limit on management fee, and it shall be within the overall TER specified above.

For the actual current expenses being charged, the investor may refer to the website of the mutual fund.

The fund shall update the current expense ratios on the website (kotakmf.com) at least three working days prior to the effective date of the change. The web link for TER is https://www.kotakmf.com/Information/investor-service

Illustration of impact of expense ratio on scheme's returns: **(in Rupees)**

Particulars	**Regular Plan**	**Direct Plan**
Amount Invested at the beginning of the year	10,000	10,000
Annual Returns before Expenses	800	800
Expenses other than Distribution Expenses	75	75
Distribution Expenses / Commission	25	-
Returns after Expenses at the end of the Year	**700**	**725**

Illustration is given to understand the impact of expense ratio on a scheme return and this should not be construed as an indicative return of the scheme. The expenses of the Direct Plan under the Scheme will be lower to the extent of distribution expenses/ commission.

D. LOAD STRUCTURE

Load is an amount which is paid by the investor to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website kotakmf.com or may call at 18003091490 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry	Nil
Exit	Nil No exit load will be chargeable in case of switches made between different plans/options of the scheme.

Units issued on reinvestment of dividends shall not be subject to entry and exit load.

In terms of Para 10.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, no entry load will be charged on purchase / additional purchase / switch-in. The commission as specified in the aforesaid circular, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.

Any imposition or enhancement of Load in future shall be applicable on prospective investments only.
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.

Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement. The investor is requested to check the prevailing load structure of the scheme before investing.

Section II

I. Introduction

A. Definitions/interpretation

The detailed definitions/ interpretations refer to the link on website of the mutual fund viz. https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim

B. Risk factors

Scheme specific risk factors

The Portfolio of Kotak Savings Fund will comprise predominantly of Debt and Money Market instruments issued by Corporates, and to a lesser extent those issued by Central or State Governments. As such, there would be Moderate Credit Risk. Since over 65% of the investment will be in securities having floating rates of interest or other debt securities, there would be very low Price-risk or Interest-rate risk.

Risks associated with Debt / Money Markets i.e. Markets in which Interest bearing Securities or Discounted Instruments are traded

(i) Credit Risk / Repayment Risk:

Securities carry a Credit risk of repayment of principal or interest by the borrower. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favourability of Foreign Currency conversion rates, etc.

Credit risks of most issuers of Debt securities are rated by Independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from "AAA" (read as "Triple A" denoting "Highest Safety") to "D" (denoting "Default"), with about 6 distinct ratings between the two extremes.

The highest credit rating (i.e. lowest credit risk) commands a low yield for the borrower. Conversely, the lowest credit rated borrower can raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers lenders prefer higher rated instruments further justifying the lower yields.

(ii) Sovereign risk:

The Federal Government of a country (i.e. Central Govt. in case of India) is the issuer of the local currency in that country. The Government raises money to meet its Capital and Revenue expenditure by issuing Debt or Discounted Securities. Since payment of interest and principal amount has a sovereign status implying no default, such securities are known as securities with sovereign credit. For domestic borrowers and lenders, the credit risk on such Sovereign credit is near zero and is popularly known as "risk-free security" or "Zero-Risk security". Thus Zero-Risk is the lowest risk, even lower than a security with "AAA" rating and hence commands a yield, which is lower than a yield on "AAA" security.

(iii) Price-Risk or Interest-Rate Risk:

From the perspective of coupon rates, Debt securities can be classified in two categories, i.e., Fixed Income bearing Securities and Floating Rate Securities. In Fixed Income Bearing Securities, the Coupon rate is determined at the time of investment and paid/received at the predetermined frequency. In the Floating Rate Securities, on the other hand, the coupon rate changes - 'floats' - with the underlying benchmark rate, e.g., MIBOR, 1 yr. Treasury Bill.

Fixed Income Securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced only by movement in interest rates in the financial system. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof.

Floating rate securities issued by a government (coupon linked to Treasury bill benchmark or a real return inflation linked bond) have the least sensitivity to interest rate movements, as compared to other securities. The Government of India has already issued a few such securities and the Investment Manager believes that such securities may become available in future as well. These securities can play an important role in minimizing interest rate risk on a portfolio.

(iv) Risk of Rating Migration:

The following table illustrates the impact of change of rating (credit worthiness) on the price of a hypothetical AA rated security with a maturity period of 3 years, a coupon of 10.00% p.a. and a market value of Rs. 100. If it is downgraded to A category, which commands a market yield of, say, 11.50% p.a., its market value would drop to Rs. 98.76 (i.e. 1.24%) If the security is up-graded to AAA category which commands a market yield of, say, 9.60% p.a. its market value would increase to Rs103.48 (i.e. by 3.48%). The figures shown in the table are only indicative and are intended to demonstrate how the price of a security can be affected by change in credit rating.

Rating	Yield (% p.a.)	Market Value (Rs.)
AA	11.00	100.00
If upgraded to AAA	9.60	103.48
If downgraded to A	11.50	98.76

(v) Basis Risk:

During the life of floating rate security or a swap the underlying benchmark index may become less active and may not capture the actual movement in the interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio. Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve.

(vi) Spread Risk:

In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. However depending upon the market conditions the spreads may move adversely or favourably leading to fluctuation in NAV.

(vii)Reinvestment Risk:

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

(viii) Liquidity Risk:

The corporate debt market is relatively illiquid vis-a- vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer. Even though the Government Securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in the SAI. The approval from the AMC Board and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

(ix) Risk Associated with Investment in Derivatives Market

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investment.

The Scheme may use derivative instruments such as index futures, stock futures, index options, stock options, warrants, convertible securities, swap agreements or any other derivative instruments that are permissible or may be permissible in future under applicable regulations, as would be commensurate with the investment objective of the Scheme.

The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments. There are certain risks inherent in aforesaid derivatives instruments. These are:

a) Basis Risk – This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for e.g. mismatch between the maturity date of the futures and the actual selling date of the asset.

b) Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

c) Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivates may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

d) In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta.

e) The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.

f) Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction. With the phased implementation of physical settlement of stocks in equity derivative segment, though there is an element of risk of stock / funds not being received, the same is mitigated due to settlement guarantee similar to equity cash market segment.

g) Interest Rate Risk – interest rate is one of the variables while valuing derivatives such as futures & options. For example, with everything remaining constant, when interest rates increase, the price of Call option would increase. Thus, fluctuations in interest rates would result in volatility in the valuation of derivatives.

h) Model Risk - A variety of models can be used to value options. Hence, the risk to the fund is that the fund manager buys a particular option using a particular valuation model (on the basis of which the option seems to be fairly priced or cheap) but the market is valuing it using another valuation model and according to which the option may be expensive.

i) The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Fund, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

j) Potential Loss associated with Derivative Trading pertaining to Debt Markets:

The use of an Interest Rate Swap ('IRS') does not eliminate the credit (default) risk on the original investment. While the fixed to floating rate IRS reduces interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline. In case of a floating to fixed rate swap, any subsequent rise in interest rates will result in a loss like in any fixed rate investment. Any IRS carries, the risk of default of the counter party to the swap, which may lead to a loss. Such loss is usually, a small proportion of the notional principal amount of the swap.

(xi) Risks associated with Securitised Debt:

The Scheme may from time to time invest in domestic securitised debt, for instance, in asset backed securities (ABS) or mortgage backed securities (MBS). Typically, investments in securitised debt carry credit risk (where credit losses

in the underlying pool exceed credit enhancement provided, (if any) and the reinvestment risk (which is higher as compared to the normal corporate or sovereign debt). The underlying assets in securitised debt are receivables arising from automobile loans, personal loans, loans against consumer durables, loans backed by mortgage of residential / commercial properties, underlying single loans etc.

ABS/MBS instruments reflect the proportionate undivided beneficial interest in the pool of loans and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. Investments in securitised debt is largely guided by following factors:

- Attractive yields i.e. where securitised papers offer better yields as compared to the other debt papers and also considering the risk profile of the securitised papers.
- Diversification of the portfolio
- Better performance

Broadly following types of loans are securitised:

a) Auto Loans

The underlying assets (cars etc.) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed.

These loans are also subject to model risk i.e. if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.

Commercial vehicle loans are susceptible to the cyclicality in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment.

b) Housing Loans

Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower classes. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

c) Consumer Durable Loans

The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult.

The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

d) Personal Loans

These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money.

Further, all the above categories of loans have the following common risks:

All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.

In India, there is no ready database available regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record. In retail loans, the risks due to frauds are high.

e) Single Loan PTC

A single loan PTC is a securitization transaction in which a loan given by an originator (Bank/ NBFC/ FI etc.) to a single entity (obligor) is converted into pass through certificates and sold to investors. The transaction involves the assignment of the loan and the underlying receivables by the originator to a trust, which funds the purchase by issuing PTCs to investors at the discounted value of the receivables. The PTCs are rated by a rating agency, which is based on the financial strength of the obligor alone, as the PTCs have no recourse to the originator.

The advantage of a single loan PTC is that the rating represents the credit risk of a single entity (the obligor) and is hence easy to understand and track over the tenure of the PTC. The primary risk is that of all securitized instruments, which are not traded as often in the secondary market and hence carry an illiquidity risk. The structure involves an assignment of the loan by the originator to the trustee who then has no interest in monitoring the credit quality of the originator. The originator that is most often a bank is in the best position to monitor the credit quality of the originator. The investor then has to rely on an external rating agency to monitor the PTC. Since the AMC relies on the documentation provided by the originator, there is a risk to the extent of the underlying documentation between the seller and underlying borrower.

a) **Bankruptcy of the originator or seller:**
Investment decisions are primarily based on the underlying borrowers and also of the originator or seller. Once the originator or seller sells the assets to a special purpose vehicle, the subsequent bankruptcy of seller / originator should not affect the receivables of the fund.

b) **Bankruptcy of the Investors Agent:**
The underlying special purpose vehicle acts as the Collection and paying agent for the investors. The SPV's are normally trusts and are set up as "bankruptcy remote". i.e since they merely pass on the monies received in their capacity as trusts, the question of their bankruptcy do not arise. Also the bankruptcy of the sponsor does not affect the specific trusts.

c) **Bankruptcy of the underlying borrower.**
The risks would be similar to the credit risks and mitigants thereof covered elsewhere in the SID.

Risk associated with Securities Lending:-

In the case of securities lending the additional risk is that there can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the Fund can be equivalent to the securities lent.

Risk factors associated with Imperfect Hedging:
Holders of Debt securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts. However, there is a possibility that the hedge may be an imperfect

- Potential loss associated with imperfect hedge using IRFs – While using such strategy may reduce interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline.

- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.
- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.
- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.
- Movement in the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio may lead to basis risk due to imperfect correlation. Thus, the loss on the portfolio may be different from the gain of the hedged position entered using the IRF.

Example:
Date: 30/09/2025
Spot price of G sec 7.26 G sec 2033: Rs. 105.68
Futures price of IRF Contract G sec 7.26 G sec 2033: Rs.105.78
On 30/09/25 XYZ bought 2000 GOI securities from spot market at Rs105.68. He anticipates that the interest rate will rise in near future. Therefore, to hedge the exposure in underlying market he may sell IRF for 7.26 G sec 2033 maturing on 27/10/2025 traded Interest Rate Futures contracts at Rs.105.78
On 27/10/2025 the maturity price of the contract and underlying will be same thereby realising the 10p arbitrage gain
Spot price of GOI Security: Rs. 105.68
Futures Price of IRF Contract: Rs. 105.78
Profit /Loss in underlying market will be (105.68-105.68)*2000 = Rs.00
Profit in the Futures market will be (105.78-105.68)*2000 = Rs. 20000
Therefore the fund will earn a total holding period return of 6.31% + (0.10/35*365)= 6.31+1.04=7.35
Not necessary the future is trading above cash for arbitrage to happen.

Risk associated with investment in Government securities and Triparty repo on Government securities or treasury bills:

- The mutual fund is a member of securities segment and Triparty repo on Government securities or treasury bills trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Triparty repo on Government securities or treasury bills trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counter party risks considerably for transactions in the said segments.
- The members are required to contribute towards margin obligation (Initial / Mark to Market etc.) as per bye-laws of CCIL as also an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in discharging their obligation. As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members as determined by CCIL.

- Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).
- CCIL maintains two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty repo on Government securities or treasury bills trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/ default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

Risks associated with Investing in Structured Obligation (SO) & Credit Enhancement (CE) rated securities:

The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

· Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms such as guarantee, shortfall undertaking, letter of comfort, pledge of shares listed on stock exchanges etc. from the issuers, promoters or another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating.

· SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of loan receivables, securities backed by trade receivables, credit card receivables etc. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.

· Liquidity Risk: SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is low as compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the scheme to sell such debt instruments and generate liquidity for the scheme or higher impact cost when such instruments are sold. Where equity shares are provided as collateral there is the risk of sharp price volatility of underlying securities which may lead to erosion in value of collateral as also low liquidity of the underlying shares which may affect the ability of the fund to enforce collateral and recover capital and interest obligations.

· Credit Risk: The credit risk of debt instruments which are CE rated derives rating based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

Risk envisaged and mitigation measures for repo transactions:

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

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

Risks associated with segregated portfolio

· Investor holding units of segregated portfolio may not able to liquidate their holding till the time realisable value is recovered.

· Security comprising of segregated portfolio may realise lower value or may realise zero value.

· Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

Risk factors associated with investments in Perpetual Debt Instrument / Other Subordinated Debt Instruments

a) Perpetual Debt Instrument

Perpetual debt instruments/bonds are issued by Banks, NBFCs (Non-Bank finance companies) and Corporates to improve their capital profile. Perpetual bonds issued by Banks which are governed by the RBI guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). NBFCs also issue such instruments as per guidelines issued by RBI. There are no regulatory guidelines for issuance of such bonds by Corporates. These instruments do not have a fixed maturity date. These instruments generally have call option after fixed interval from date of issuance. The key risks associated with these instruments are highlighted below:

1. Risk on coupon servicing

<u>Banks</u>

As per the terms of the instruments, Banks have discretion at all times to cancel distributions/ payment of coupons.

<u>NBFCs</u>

While NBFCs have discretion at all times to cancel payment of coupon, coupon can also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.

<u>Corporates</u>

Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the Perpetual.

2. Risk of write-down or conversion into equity

<u>Banks</u>

As per extant RBI guidelines, banks have to maintain a Common Equity Tier-1 (CET-1) ratio of minimum 5.5% (to be increase to 6.125%) of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/ conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital.

This risk is not applicable in case of NBFCs and Corporates.

3. Risk of instrument not being called by the Issuer

<u>Banks</u>

The issuing banks have an option to call back the instrument after minimum period of 5 years from the date of issuance and typically annually thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Scheme may have to hold the instruments for a period beyond the first call exercise date.

NBFCs

The NBFC issuer has an option to call back the instrument after minimum period of 10 years from date of issuance and typically annually thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Scheme may have to hold the instruments for a period beyond the first call exercise date.

Corporates

There is no minimum period for call date. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date.

b) Other Subordinated Debt Instruments (OSDI)

Other Subordinated Debt Instruments (OSDI) are issued by Banks and NBFCs. This instruments are also referred as Tier 2 bonds. These bonds are subordinated to other senior claims of issuing entity. These instruments have a fixed maturity date.

1. Risk of write-down or conversion into equity Banks

Tier 2 Bonds issued by Banks - under Basel III guidelines of Reserve Bank of India, have a risk of either written off or conversion into common equity, when the PONV trigger is invoked, at the option of the RBI.
This clause is not there in case of NBFCs

Risk Factors Associated with investing in Foreign securities:

Subject to necessary approvals and within the investment objectives of the Scheme, the Scheme may invest in overseas markets which carry risks related to fluctuations in the foreign exchange rates, the nature of the securities market of the country, repatriation of capital due to exchange controls and political circumstances.

It is the AMC's belief that investment in foreign securities offer new investment and portfolio diversification opportunities into multimarket and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the Scheme. Since the Scheme may invest only partially in overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated under the Regulations or by the RBI from time to time.

Overseas investments will be made subject to any/all approvals, conditions thereof as may be stipulated under the Regulations or by RBI and provided such investments do not result in expenses to the Fund in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The Fund may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs and overseas regulatory costs.

To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes

in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

Currency Risk:

In respect of investments in ADRs/GDRs, the risks associated with underlying stocks remain the same except for the additional risk of the exchange rate of the Indian rupee visà- vis the currency in which ADRs/GDRs are denominated. Investments in overseas securities/mutual fund units are subject to currency risk. Returns to investors are the result of a combination of returns from investments and from movements in exchange rates. For example, if the Rupee appreciates vis-à-vis the US $, the extent of appreciation will lead to reduction in the yield to the investor. However, if the Rupee appreciates against the US $ by an amount in excess of the interest earned on the investment, the returns can even be negative. Again, in case the Rupee depreciates vis-à-vis the US $, the extent of depreciation will lead to a corresponding increase in the yield to the investor. Going forward, the Rupee may depreciate (lose value) or appreciate (increase value) against the currencies of the countries where the Scheme will invest.

Exhaustion of overseas limit Risk

The Scheme can make overseas investments subject to a maximum of US $ 1 billion per Mutual Fund, within the overall industry limit of US $ 7 billion or such limits as may be prescribed by SEBI/RBI from time to time. The Scheme therefore may or may not be able to utilise the limit of USD 1 billion due to the USD 7 billion limit being exhausted by other Mutual Funds. Further, the scheme can make investments in overseas Exchange Traded Fund (ETF(s) subject to a maximum of US $ 300 million per Mutual Fund, within the overall industry limit of US $ 1 billion.

As and when the investment limits at Mutual Fund level/Industry level are exhausted or nearing exhaustion, the scheme may temporarily suspend deployment of funds in overseas funds/securities.

Risk associated with investing in Mutual fund units.

Investment in units of Mutual Fund scheme involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. As the price / value / interest rates of the underlying securities in which the mutual fund scheme invests fluctuates, the value of units of mutual fund scheme may go up or down. The value of underlying securities may be affected, inter-alia, by changes in the market, interest rates, changes in credit rating, trading volumes, settlement periods and transfer procedures; the NAV is also exposed to Price/Interest-Rate Risk and Credit Risk and may be affected inter-alia, by government policy, volatility and liquidity in the money markets and pressure on the exchange rate of the rupee. Investment in units of mutual fund scheme is also exposed to risk of suspension of subscriptions / redemptions of the units, change in fundamental attributes application of swing pricing, Segregation of portfolios etc. Swing pricing / segregation of portfolios risks may amongst things realise lower and/or nil value on redemption of underlying units. Since the Scheme may invest in schemes of Mutual Funds, scheme specific risk factors of each such mutual fund schemes will be applicable to the Scheme portfolio.

Risk associated with investing in Backstop facility in form of investment in Corporate Debt Market Development Fund (CDMDF):

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the

CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. Access to the Fund shall be in proportion to the contribution made to the Fund at a Mutual Fund level (i.e., in the ratio of total units of CDMDF held by all specified debt schemes of each Mutual Fund).
The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus this backstop facility will help fund managers of the schemes to better generate liquidity during market dislocation to help the schemes fulfil liquidity obligations under stress situation.

The scheme/s shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF.

Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF. Also, for calculation of asset allocation limits of mutual fund schemes, investment in units of CDMDF shall be excluded from base of net assets.

Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF. CDMDF shall follow the loss waterfall accounting as specified in SEBI circulars and the risk of first loss shall rest with the scheme selling to the CDMDF.

Investments in Overseas Mutual Funds/ Unit Trusts ("UT") by Indian Mutual Funds:
Pursuant to SEBI circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/149 dated November 04, 2024, the scheme shall also invest in overseas MF/UTs that have exposure to Indian securities, provided that the total exposure to Indian securities by these overseas MF/UTs shall not be more than 25% of their assets.

While investing in overseas MF/UTs that have exposure to Indian securities, the scheme shall ensure the following:

1. Pooling - Contribution of all investors of the overseas MF/UT is pooled into a single investment vehicle, with no side-vehicles including segregated portfolios, sub-funds or protected calls, etc;

2. Pari-passu and Pro-rata - Corpus of the overseas MF/UT is a blind pool (i.e. common portfolio) with no segregated portfolios. All investors in the overseas MF/UT have pari-passu and pro-rata rights in the fund, i.e. they receive a share of returns/gains from the fund in proportion to their contribution and have pari-passu rights.

3. Independent investment manager/fund manager - Overseas MF/UT is managed by an independent investment manager/fund manager who is actively involved in making all investment decisions for the fund. This ensures that the investments are made autonomously by the investment manager/fund manager without influence, directly or indirectly, from any of the investors or from any other entity.

4. Public disclosure - Such overseas MF/UTs shall disclose their portfolios at least on a quarterly-intervals to the public to maintain transparency.
5. No advisory agreement - There shall not be any advisory agreements between the Scheme and underlying overseas MF/UTs, to prevent conflict of interest and avoid any undue advantage to either of the parties

Breach of the limit:

i) At the time of making investments (both fresh and subsequent), the scheme shall ensure that the underlying overseas MF/UTs do not have more than 25% exposure to Indian securities;

ii) Subsequent to the investment, if the exposure by an underlying overseas MF/UTs to Indian securities exceeds 25% of their net assets, an observance period of 6 months from the date of publicly available information of such breach (e.g. portfolio disclosures) shall be permitted to the scheme for monitoring of any portfolio rebalancing activity by the underlying overseas MF/UT;

iii) During the observance period, the scheme shall not undertake any fresh investment in such overseas MF/UT. The Scheme may resume their investments in such overseas MF/UT in case the exposure to Indian securities by such overseas MF/UT falls below the limit of 25%.

Rebalancing of the portfolio:

If the portfolio of an underlying overseas MF/UT is not rebalanced within the 6-month observance period, the scheme shall liquidate its investments in the concerned underlying overseas MF/UT within the next 6 months ('liquidation period') from end of the observance period.

If the exposure to Indian securities by the underlying overseas MF/UT falls below the prescribed limit of 25% during the liquidation period, the requirement at the above clause above shall not be applicable.

If the Scheme/ Asset Management Company fails to rebalance the portfolio of the scheme in line with the aforesaid requirements, then after the 6-month liquidation period, the scheme/ Asset Management Company shall:

· not be permitted to accept any fresh subscriptions in concerned the scheme;
· not be permitted to launch any new scheme;
· not levy exit load, if any, on the investors exiting such scheme(s).

C. Risk mitigation strategies

Type of Risks	Measures/ Strategies to control risks
Debt and Money Market instruments	· Credit Risk: Management analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken. · Price-Risk or Interest-Rate Risk: The Scheme will invest in securities having Macaulay duration of the portfolio is between 3 months and 6 months. The scheme will undertake active portfolio management as per the investment objective to reduce the interest rate risk. In a rising interest rate scenario, the scheme may increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer maturity may be increased thereby mitigating risk to that extent · Risk of Rating Migration: The endeavor is to invest in securities having Macaulay duration of the portfolio is between 3 months

	and 6 months. The due diligence performed by the fixed income team before assigning credit limits and the periodic credit review and monitoring should address company specific issues · Reinvestment Risk: The Investment Manager will endeavor that besides the tactical and/or strategic interest rate calls, the portfolio is fully invested. · Liquidity Risk: The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.
Derivatives	The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Equity Derivatives will be used in the form of Index Options, Index Futures, Stock Options and Stock Futures and other instruments as may be permitted by SEBI.Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on stock exchanges whereas OTC derivative transactions are generally structured between two counterparties. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID.
Securities Lending	The SLB shall be operated through Clearing Corporation/Clearing House of stock exchanges having nation-wide terminals who are registered as Approved Intermediaries (AIs)." The risk is adequately covered as Securities Lending & Borrowing (SLB) is an Exchange traded product. Exchange offers an anonymous trading platform and gives the players the advantage of settlement guarantee without the worries of counter party default. However, the Fund may not be able to sell such lent securities during contract period or have to recall the securities which may be at higher than the premium at which the security is lent.
Currency	The scheme subject to applicable regulations shall have the option to enter into forward contracts for the purposes of hedging against the foreign exchange fluctuations. The Schemes may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities. All currency derivatives trade, if any will be done only through the stock exchange platform.
Repo Transactions	This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis. In the event the counterparty is unable to pay back the money to the scheme as contracted on maturity, the scheme may dispose of the assets (as they have

	sufficient margin) and the net proceeds may be refunded to the counterparty
Securitized Debt	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
Structured Obligation (SO) & Credit Enhancement (CE) rated securities	Scheme wise investments as prescribed by the regulations limits the exposure to such securities. Additionally, covenants of such structured papers are reviewed periodically for adequate maintenance of covers as prescribed in the Information Memorandum of such papers.
Government securities and Triparty repo on Government securities or treasury bills:	As a member of securities segment and Triparty repo segment, maintenance of sufficient margin is a mandatory requirement. CCIL monitors these on a real time basis and requests the participants to provide sufficient margin to enable the trades etc. Also there are stringent conditions / requirements before registering any participants by CCIL in these segments. Since settlement is guaranteed the loss on this account could be minimal though there could be an opportunity loss.
Units of mutual fund schemes	Mutual Fund portfolios are generally well diversified and typically endeavor to provide liquidly on a T+1/T+2 basis and aim to mitigate any risks arising out of underlying investments. Commodity ETF's are quite liquid as they can either be created / redeemed with the fund house or traded on the exchange.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated. The measures mention above is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change.in response to the same

II. Information about the scheme:

A. Where will the scheme invest ?

Securities/ Instruments	Definitions
Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)	Government Security (G-Sec) is a tradeable instrument issued by the Central Government or the State Governments. It acknowledges the Government's debt obligation. They are generally long term with maturity of one year or more. In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs). G-Secs carry practically no risk of default and, hence, are called risk-free gilt-edged instruments. Repos / Reverse Repos enables collateralized short term borrowing and lending through sale/purchase operations in the such government securities.
Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee (including but not limited to Indian Government Bond, State Development Loans issued and serviced at the Public Debt Office, Bonds issued by Central & State Government PSU's which are guaranteed by Central or State Governments);	These are instruments are issued by various government agencies and bodies (including but not limited to Indian Government Bond, State Development Loans issued and serviced at the Public Debt Office, Bonds issued by Central & State Government PSU's which are guaranteed by Central or State Governments. They can be issued at discount, par or premium.
Corporate debt (of both public and private sector undertakings) including Nonconvertible debentures (including bonds) and non-convertible part of convertible securities;	These are financial instruments issued by companies (both public and private) to raise long-term funds through public issues. They are generally rated by credit rating agencies.
Short Term Deposits of banks (both public and private sector) and development financial institutions to the extent permissible under SEBI Regulations;	Short Term Deposits are offered by Scheduled Commercial Banks (both public and private sector banks) with a fixed/floating interest rate and maturity date.
Money market instruments permitted by SEBI/RBI, having maturities of up to one year but not limited to:·Certificate of Deposits (CDs).·Commercial Paper (CPs)·Tri-party Repo, Bills re-discounting, as may be permitted by SEBI from time	Certificate of Deposit" or "CD" is issued by Scheduled Commercial Banks (SCBs) and All-India Financial Institutions. There is a term period of 7 days to 1 year for CDs that are issued by SCBs, whereas the term period ranges from 1 year to 3 years for CDs issued by financial institutions. CDs are usually issued at a discounted rate and redeemed at par.

to time.·Repo of corporate debt securities	Commercial Paper" or "CP" is a short-term instrument issued by corporates and financial institutions CPs are usually issued at a discounted rate and redeemed at par. The tenor of CP ranges from 7 days to 1 year. reasury bills or T-bills, which are money market instruments, are short term debt instruments issued by the Government of India and are presently issued in three tenors, namely, 91 day, 182 day and 364 day. Treasury bills are zero coupon securities and pay no interest. Instead, they are issued at a discount and redeemed at the face value at maturity. riparty Repo (TREPS) is a type of 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. epos / Reverse Repos enables collateralized short term borrowing and lending through sale/purchase operations in debt instruments (including corporate bonds). ills Re-discounting is an instrument where a financial institution discounts the bills of exchange that it has discounted previously with another financial institution.
Securitised Debt	Securitised Debt are debt instruments with rights over assets backed by cash flows.
The scheme may invest in units of overseas Mutual Funds schemes / ETFs, ADRs, GDRs or other foreign securities	target="_blank">Overseas securities refer to securities (viz. mutual funds, ETFs, ADRs / GDRs, stocks) that are listed or traded in any jurisdiction outsideIndia.
Securities Lending & Borrowing as permitted by SEBI from time to time	Securities Lending and Borrowing is a process through which shares or stocks are lent or borrowed from other investors or financial firms at a specified time and price.
Fixed Income Derivatives	Interest Rate Swaps are forward contracts in which one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating rate, or vice versa, to reduce or increase exposure to fluctuations in interest rates. Interest Rate Futures involve futures contracts with underlying assets that provide interest, such as government bonds or Treasury Bills. These futures are traded on stock exchanges featuring standardised contracts based on government securities.

Investment in Foreign Securities

The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to the provisions ofPara 12.19 of SEBI Master Circular no.SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024and as may be amended from time to time an any other requirements as may be stipulated by SEBI/RBI from time to time

The Scheme may, in terms of its investment objectives with the approval of SEBI/RBI invest in following Foreign Securities:

i. ADRs/ GDRs issued by Indian or foreign companies
ii. Equity of overseas companies listed on recognized stock exchanges overseas
iii. Initial and follow on public offerings for listing at recognized stock exchanges overseas
iv. Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
v. Money market instruments rated not below investment grade
vi. Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
vii. Government securities where the countries are rated not below investment grad
viii. Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
ix. Short term deposits with banks overseas where the issuer is rated not below investment grade
x. Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in
(a) aforesaid securities,
(b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or
(c) unlisted overseas securities (not exceeding 10% of their net assets).

The Scheme can invest in overseas securities subject to a maximum of US $1 billion within the overall industry limit of US $ 7 billion wherein US $ 50 million would be reserved for each mutual fund individually, with in the overall industry limit of US $ 7 billion or such limits as may be prescribed by SEBI from time to time and in overseas ETF subject to maximum of US $300 million such limits as may be prescribed by SEBI from time to time . An investment headroom of 20% of the average AUM in Overseas securities of the previous three calendar months would be available to the Mutual Fund for that month to invest in Overseas securities / Overseas ETFs subject to maximum limits of US $ 1 billion per Mutual Fund.

Overview of Debt Market and Money Markets

The Indian Debt Market has grown in size substantially over the years. The Reserve Bank of India has been taking steps to make the Indian Debt Market efficient and vibrant. The interest rates were regulated till a few years back, there has been rapid deregulation and currently both the lending and deposit rates are market determined. The Central banker has in its recent credit policy meetings suggested the importance of a fully developed corporate bond market and efforts are being made to have an online trading platform for corporate bonds.

Broadly, the debt market is divided in two parts viz. the Money Market and the Debt market. Money market instruments have a tenor of less than one year while debt market instruments have a tenor of more than one year. Money market instruments are typically commercial paper, certificates of deposit, treasury bills, trade bills, repos, interbank call deposit receipts etc. Debt market comprises typically of securities issued by Governments (Central and State), Banks, Financial Institutions, and Companies in the private and public sector, Corporations, Statutory Bodies etc.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the

securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills / Cash Management Bills (issued by RBI). In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates. In money market, activity levels of the Government and nongovernment debt vary from time to time. Instruments that comprise a major portion of money market activity include but not limited to:

• Overnight Call
• Tri-party Repo
• Repo/Reverse Repo Agreement
• Treasury Bills / Cash Management Bills
• Government securities with a residual maturity of< 1 year.
• Commercial Paper
• Certificate of Deposit

The debt securities are mainly traded over the telephone directly or through brokers. The National Stock Exchange of India has a separate trading platform called the Wholesale Debt Market segment where trades put through member brokers are reported. The daily volumes in the debt market are in the region of Rs.2500-5000 crores.

RBI has introduced the Negotiated Dealing System (NDS) platform for screen-based trading in Government Securities and Money Market instruments. Most of the market participants are now operating through NDS. Promoted by major banks and financial institutions, The Clearing Corporation of India Ltd. (CCIL), was incorporated on April 30, 2001. The CCIL guarantees the settlement of all trades executed through NDS. The clearing and settlement risks viz., Counter party Credit Risk and Operational Risk are mitigated by CCIL thereby facilitating a smooth settlement process.

The following table gives approximate yields prevailing as on November 17, 2025 on some of the money and debt market instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing.

Instrument	**Yield Range (% per annum)**
Inter-bank Call Money	5.25-5.35
91 Day Treasury Bill	5.40-5.42
364 Day Treasury Bill	5.50-5.55
P1+ Commercial Paper 90 Days	5.98-6.05
3-Year Government of India Security	5.75-5.80
5-Year Government of India Security	6.18-6.22
10-Year Government of India Security	6.48-6.52

Generally, for instruments issued by a non-Government entity, the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on the credit rating of the entity. Investors must note that the yields shown above are the yields prevailing on November 17, 2025 and they are likely to change consequent to changes in economic conditions and RBI policy.

B. What are the investment restrictions?

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions apply in respect of the Scheme at the time of making investments.

1. As per Clause 1 of the Seventh Schedule of MF Regulation, the Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of Trustees and the Board of directors of the asset management company.

Within the limits specified in clause 1 of the Seventh Schedule of MF Regulation, a mutual fund scheme shall not invest more than:
a. 10% of its NAV in debt and money market securities rated AAA issued by a single issuer; or
b. 8% of its NAV in debt and money market securities rated AA issued by a single issuer; or
c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

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

The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of Credit Rating Agency (CRAs) between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating

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.

D. In addition to the conditions specified under Regulation 18 (15A) for bringing change in the fundamental attributes of the scheme, it has been decided that trustees shall take comments of the Board before bringing such change(s).

1. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments. It is further clarified that the investment limits are applicable to all debt securities, which are issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by either state or central government. Government securities issued by central/state government or on its behalf by the RBI are exempt from the above investment limits.

2. The investment of the Scheme in the following instruments as per para 12.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme:

· Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade; and –

· Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade

The above limits shall not be applicable on investments in securitized debt instruments.
Investment by the Scheme in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

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

3. The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund. However, the aforesaid provision will not apply to fund of funds scheme.

4. The Scheme shall not make any investments in:

(a) any unlisted security of an associate or group company of the Sponsors; or
(b) any security issued by way of private placement by an associate or group company of the Sponsors; or
(c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets except for investments by equity oriented exchange traded funds and index funds and subject to such conditions as may be specified by the Board.

Provided that for the private equity fund or a pooled investment vehicle or a pooled investment fund acting as sponsor of mutual funds, the associate or group company shall also include,-
(a) associate or group company of the manager of any pooled investment vehicle; or
(b) investee companies in which the shareholding of ten percent or more is held by the schemes or funds managed by manager of the pooled investment vehicle; or

(c) any investee company in which the pooled investment vehicle holds more than ten percent shareholding or where the directors of the pooled investment vehicle or corporate sponsor has representation on the board or right to nominate representatives on the board.

5. The Scheme shall not invest in any Fund of Funds Scheme.

6. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-

a) such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the 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.

c) IST purchases would be allowed subject to the guidelines as specified inPara 12.30 ofSEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024

7. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

8. No loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of payment of interest or IDCW to 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 six months.

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

10. The mutual fund shall get the securities purchased / transferred in the name of the fund on account of the concerned scheme, where investments are intended to be of long term nature.

11. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject toPara12.16 andPara4.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, as may be amended from time to time. The AMC shall not charge any investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks for the scheme.

12. In accordancePara12.9 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 in case of debt schemes, the total exposure to single sector shall not exceed 20% of the net assets of the scheme. However this limit is not applicable for investments in Bank CDs, Tri-party Repo, G-Secs, T-Bills short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.
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 by way of increase in exposure to Housing Finance Companies (HFCs) only; Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

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

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

13. In accordance withPara12.9.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, in case of debt scheme the total exposure in a group, except and in the group of sponsor and the asset management company, (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.
Further, the investments in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.

For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

14. In accordance with the guidelines as statedPara12.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, investments in following instruments as specified in the said circular, as may be amended from time to time, shall be applicable:

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

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

ii. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.

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

a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.

b. Exposure of mutual fund schemes in such instruments shall not exceed 5% of the net assets of the schemes.

c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

15. Investments in Derivatives shall be in accordance with the guidelines as statedPara7.5, 7.6 and 12.25 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024as may be amended from time to time

16. The scheme will invest in Repos in Corporate debt in accordance withPara12.18 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024

17. In terms of requirement ofPara12.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024prescribing norms for investments in debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption (Additional Tier I bonds and Tier 2 bonds issued under Basel III framework are some instruments which may have above referred special features), the following limit shall be applicable:

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

b) The scheme shall not invest –

i. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and

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

18. Pursuant to SEBI circular SEBI/HO/IMD/PoD2/P/CIR/2025/92 dated June 26, 2025 various prudential limits issued under SEBI (Mutual Funds) Regulations, 1996 and circulars issued thereunder, shall be rebalanced basis the timelines provided in paragraph 2.9 of SEBI Master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.

The above investment limit for a mutual fund scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI (Mutual Fund) Regulations, 1996, and other prudential limits with respect to the debt instruments.

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

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

Apart from the above investment restrictions, the Fund follows certain internal norms within the above mentioned restrictions, and these are subject to review from time to time.

Modifications, if any, in the Investment Restrictions on account of amendments to the Regulations shall supercede/override the provisions of the Trust Deed.

Limits for investment in derivatives instruments

As perPara 12.25 ofSEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024on “Review of norms for investment and disclosure by Mutual Funds in derivatives”, and the limits for exposure towards derivatives are as under:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
3. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :-

a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

5. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
7. Exposure in derivative positions shall be computed as follows:

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

Participation of scheme of Kotak Mahindra Mutual Fund in repo of corporate debt securities:

In accordance withPara12.18 SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024and any other circulars issued by SEBI/ RBI from time to time, the Scheme shall participate in repo transactions in corporate debt securities subject to following guidelines:

· The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities including Commercial Papers (CPs) and Certificate of Deposits (CDs) shall not be more than 10 % of the net assets of the concerned scheme.
· The cumulative gross exposure through repo transactions in corporate debt securities including Commercial Papers (CPs) and Certificate of Deposits (CDs) along with equity, debt and derivatives, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time shall not exceed 100% of the net assets of the concerned scheme.
Mutual funds shall participate in repo transactions on following Corporate Debt securities;
o listed AA and above rated corporate debt securities and
o Commercial Papers(CPs) and Certificate of Deposits(CDs).
· In terms of Regulation 44 (2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
· Mutual funds shall ensure compliance with the Seventh Schedule of the Mutual Funds Regulations about restrictions on investments, wherever applicable, with respect to repo transactions in corporate debt securities including

Commercial Papers(CPs) and Certificate of Deposits(CDs). However, for transactions where settlement is guaranteed by a Clearing Corporation, the exposure shall not be considered for the purpose of determination of investment limits for single issuer, group issuer and sector level limits.

The parameters for investment in repos of corporate debt securities as approved by the Board of AMC and Trustee Company are as under:

i) Category of counterparty to be considered for making investment:
All entities (including clearing corporations) eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo transactions.

(ii) Credit rating of counterparty to be considered for making investment
The schemes shall participate in corporate bond repo transactions with counterparties having a minimum investment grade rating and is approved by the Investment Committee on a case-to-case basis. In case there is no rating available, the Investment Committee will decide the rating of the counterparty, and report the same to the Board from time to time.
The requirement for credit rating of the counterparty will not be applicable for transactions where settlement is guaranteed by a Clearing Corporation,

(iii) Tenor of Repo and collateral
As a repo seller, the schemes will borrow cash for a period not exceeding 6 months or as per extant regulations. As a repo buyer, the Schemes are allowed to undertake the transactions for maximum maturity upto one year or such other terms as may be approved by the Investment Committee. There shall be no restriction / limitation on the tenor of collateral.

(iv) Applicable haircuts
RBI in its circular dated July 24, 2018 has prescribed the haircut to be applied for repo transactions as follows:

Haircut/margins will be decided either by the clearing house or may be bilaterally agreed upon, in terms of the documentation governing repo transactions, subject to the following stipulations:

i. Listed corporate bonds and debentures shall carry a minimum haircut of 2% of market value.
ii. CPs and CDs shall carry a minimum haircut of 1.5% of market value.
iii. Securities issued by a local authority shall carry a minimum haircut of 2% of market value.

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

Risk envisaged and mitigation measures for repo transactions:
Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Additionally, appropriate haircuts are applied on the market value of theunderlying securities based on the tenor and illiquidity of the underlying security. Also operational risks are lower as such trades are settled on a DVP basis.

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

The above risks will not arise for repo transactions where settlement is guaranteed by a Clearing Corporation

Investments in securitized debt instruments

How the risk profile of securitized debt fits into the risk appetite of the scheme:

The scheme investment pattern permits investments in debt and money market instruments with extended maturities. Under this the investments could be in the following form of issuances, viz. CPs, CDs, Securitised debt, etc. i.e for the same acceptable levels of risks there could be multiple instruments available to a Fund Manager. Based on the credit assessment of the issuers the Fund Manager may chose to invest in securitized debt.

Our evaluation process for investment in securitized debt is similar to the approach followed for other types of instruments including money market and bonds. We lay emphasis on credit, liquidity and duration risk while evaluating every prospective investment, keeping in mind the investment objectives of the particular scheme.

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

The Fund Manager shall do a comprehensive credit assessment of the structure before investment. This includes originator's credit origination standards, track record on asset quality, more specifically its track record in respect the asset class that is being securitized and also the performance of the pools securitised by the originator in the past. No investments will be made in instruments rated below certain grades as prescribed by the investment committee or in unrated instruments. Prior approval of Trustee will be taken, in case of any investments in unrated instruments.

The securitised paper may pertain to a single asset class e.g., car loans or commercial vehicle loans or a combination of different asset classes i.e. car loans, two wheeler loans and commercial vehicle loans. Investment focus is towards diversification in the asset pool in terms of geography, underlying collateral. Although there is no specific guidelines with respect minimum period for which the originator had held the loans in its books), appropriateness of the seasoning (the period for which the originator has held loans on its books) and also the loan to value and instilment to income profile of the pool are important parameters for making investment decision.

In case of single loan securitization, the originator merely transfers the loan existing in his book by way of a single loan selldown. The obligation to repay and service the debt remains with the underlying obligor and hence, it is the obligor whose standalone business and financial risk profile is evaluated. Therefore, the credit rating of a single loan structure mirrors the credit rating of the obligor.

For pool securitization, where the debt repayment is dependent on the underlying pool of borrowers, it is important to evaluate the characteristics of the pool including the type of loan, loan to value ratio, ticket size of loan, geographic distribution etc. and the track record of the originator in terms of volume of securitization activity, historical losses seen in similar pools, stability in cash flow servicing and utilization level of credit enhancement.

Risk Mitigation strategies for investments with each kind of originator:

Apart from the above, risk assessment process includes examination of the credit enhancements offered under the present PTC structure, utilization of credit enhancement in the previous securitization structures of the originator and the trends in credit enhancement utilization of securitization transactions of similar asset classes of other originators. The size & reach of originators, its infrastructure & follow-up mechanism, quality of MIS & the collection process are also considered for each originator.

The nature of the instrument, underlying risks, underlying risk migration perceptions would decide the tenure of the said investments.

There is clear cut segregation of duties and responsibilities with respect to Investment Function and Sales function. Risk assessment and monitoring of investment in Securities Debt is done by a team comprising of credit analyst, fund manager and Head of Fixed Income. The Investment committee also looks into a first time investment in credit, apart from sanctioning overall limits for the same. Investment Decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objective.

Originator risk can be evaluated and mitigated on the basis of –

a. Market position and size of the originator and expertise/niche in financing a particular type of asset.
b. Systems and processes established by the originator to address operational risk relating to disbursement, collection and recovery of loans.
c. Extent of data disclosed by the originator for the current pool as well as past pools which showcases the data mining capability of the originator.
d. Credit enhancement provided based on the pool characteristics, historical performance of past pools and the base case losses assumed by the credit agency.

The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments:

Framework that will be applied while evaluating investment decision relating to a pool securitization transaction:

Characteristics/ Type of Pool	Mortgage Loan	CV & CE	Cars	Two Wheelers	Micro Finance	Personal Loans	Single loan sell down
Average maturity (in months)	36m-72m	12m-36m	12m-36m	12m-24m	3m-18m	12m-24m	12m-36m
Collateral margin (including cash, guarantees, excess interest spread, subordination)	5%-25%	10%-25%	10%-25%	Min 15%	Min 20%	Min 20%	NA
Average Loan-to-value	70%-90%	65%-90%	65%-90%	50%-75%	NA	NA	NA
Average Pool Seasoning (in months)	6m-12m	3m-6m	3m-6m	3m-6m	1m-3m	3m-6m	NA

Maximum exposure per ABS transaction	5%-15%	5%-15%	5%-15%	5%-10%	5%-15%	5%-10%	5%-15%

Note - Kindly note that these are indicative ranges and final figures could vary depending upon the overall characteristics of the transaction and market conditions

In respect of single sell down loans the process would be similar to the one adopted for investing in the issuer directly. Similarly the fund in the normal course of business would not be investing in personal / micro finance pools, unless the levels of comfort arising of the transaction structures, satisfy the investment committee.

The above table is prepared after considering the risk mitigating measures such as Size of the loan, Average original maturity of the pool, Average seasoning of the pool, Loan to Value Ratio, Geographical Distribution and Structure of the pool, default rate distribution & credit enhancement facility. 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. This framework would be used as a reference for evaluation of investment into any securitized debt. However, each investment would also be evaluated on a case to case basis on its own merits apart from these limits.

Other risk mitigation measures
a. Loan to Value Ratio – is an important parameter which highlights the underwriting standards of the issuer. Also, lower LTV ratios generally result in higher recoveries in case of default.

b. Average seasoning of the pool - may vary depending on the asset type. Higher seasoning is preferred as it gives better visibility on delinquency levels in the pool.

c. Default rate distribution – this is studied using empirical data for the originator. This is also a critical data used by the rating agency in determining the credit enhancement levels to be stipulated.

d. Geographical Distribution – helps in identifying concentration risk in a particular geography and therefore reduces the default risk.

e. Credit enhancement facility – is provided in pool securitization transactions and is very important as it is used to absorb credit losses stemming from default in the pool assets. The size of credit enhancement is determined on the basis of the issuer's credit risk profile, the type of asset being securitized and past pool performances.

f. Liquidity facility – in some cases, in addition to the credit enhancement facility there is also a liquidity facility provided which is used to meet any shortfalls arising from delayed collections or delinquencies in the pool.

Minimum retention percentage by originator of debts to be securitized:

Although there is no specific guidelines with respect minimum retention percentage for which the originator had held the loans in its books), appropriateness of the seasoning (the period for which the originator has held loans on its books) and also the loan to value and installment to income profile of the pool are important parameters for making investment decision.

Minimum retention period of the debt by originator prior to securitization

For single loan securitization, there is currently no regulation for minimum retention period of debt by the originator. Our investment decision is driven by the credit quality of the underlying obligor.

For pool securitization, there is currently no regulation for minimum retention period of debt by the originator. Generally the pool assets we acquire in the form of PTCs have a retention period of 3-6 months by the originator. We follow the extant guidelines pertaining to securitization as set out by the regulator.

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:

An investment by the scheme in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a scheme. The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme. Normally the issuer who is securitizing instrument is in need of money and is unlikely to have long term surplus to invest in mutual fund scheme. Furthermore, there is clear cut segregation of duties and responsibilities with respect to Investment function and Sales function. Investment decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objectives

Our investment decisions are independent of other business functions and are solely based on the assessment of credit risk, liquidity risk and duration risk pertaining to a particular security.

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

Risk assessment and monitoring of investment in Securities Debt is done by a team comprising of credit analyst, fund manager and Head of Fixed Income. The Investment committee also looks into a first time investment in credit, apart from sanctioning overall limits for the same. Investment Decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objective.

Apart from monitoring the credit quality of the underlying obligator / originator, for pool securitization transactions we closely monitor the monthly pool performance report which is sent out by the trustee. The reports are tracked for changes in specific pool characteristics which can impact the collection performance and loss levels in the pool.

C. Fundamental Attributes

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

(i) Type of the scheme :As mentioned under the heading "Scheme Type" of Part I – Sr. No. III
(ii) Investment Objective: As mentioned under the heading "Investment Objective" of Part I – Sr. No. V
(iii) Investment Pattern : As mentioned under the heading "How will the scheme allocate its assets" of Part II - A
(iv) Terms of Issue:

- Liquidity provisions such as listing, repurchase, redemption. Investors may refer Part I and Section II under 'Other Scheme Specific Disclosures' for detailed information on listing, repurchase and redemption.
- Aggregate fees and expenses charged to the scheme. Investors may refer Part III 'Other Details'.
- Any safety net or guarantee provided – Not Applicable

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the trustees shall ensure that no change in the fundamental attributes of any 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 these regulations.

In accordance with Regulation 25(26) of the SEBI (MF) Regulations, the asset management company shall ensure that no change in the fundamental attributes of any scheme or the trust, fees and expenses payable or any other change which would modify the scheme and affect the interest of unit holders, shall be carried out unless,
· 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
· The Unitholders are given an option for a period of 30 calendar days to exit at the prevailing Net Asset Value without any exit load

D. Other Scheme Specific Disclosures:

Listing and transfer of units	**Listing:** The Scheme is open-ended in nature. It is not necessary to list the units of the scheme on any exchange. Liquidity is ensured to investors by the purchase and sale of Units from/to the Fund at prices related to the relevant Applicable NAV for the purpose of purchasing or redeeming Units from the Fund. The Trustee, however, has the right to list the Units under the Scheme on any stock exchange/s for better distribution and additional convenience to existing/prospective Unitholders. Even if the Units are listed, the Fund shall continue to offer purchase and redemption facility as specified in this scheme information document. Any listing will come only as an additional facility to investors who wish to use the services of a stock exchange for the purpose of transacting business in the Units of the Scheme. **Transfer of units held in Non-Demat [Statement of Account ('SOA')] mode:** As per the AMFI Best Practices Guidelines Circular No.116 /2024-25 dated August 14, 2024, on 'Standard Process for Transfer of Units held in Non-Demat (SoA) mode', units held by individual unitholders in Non Demat ('SoA') mode can be transferred only in following cases- . Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s). . A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee. . A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s). . Investors under Resident/non-resident Individual category. Partial transfer of units held in a folio shall be allowed. If the request for transfer of units is lodged on the record date, the IDCW payout/ reinvestment shall be made to the transferor. Redemption of the transferred units shall not be allowed for 10 days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently. The facility for transfer of units held in SoA mode shall be available only through online modevia the transaction portals of the RTAs and the MF Central, i.e., the transfer of units held in SoA mode shall not be allowed through physical/ paper-based mode or via the stock exchange platforms, MFU, channel partners and EOPs etc. For details, please refer Statement of Additional Information (SAI).

Dematerialization of units	Unit holders will have an Option to hold the units by way of an Account Statement or in Dematerialized (‘Demat’) form. Unit holders opting to hold the units in Demat form must provide their Demat Account details in the specified section of the application form/transaction feed. The Applicant intending to hold the units in Demat form are required to have a beneficiary account with a Depository Participant (DP) registered with NSDL / CDSL and will be required to indicate in the application the DP's name, DP ID Number and the Beneficiary Account Number of the applicant held with the DP at the time of purchasing Units. Unitholders are requested to note that request for conversion of units held in Account Statement (non-demat) form into Demat (electronic) form or vice versa should be submitted to their Depository Participants. The demat request to depository must be submitted for all units in a folio. In case Unit holders do not provide their Demat account details or the Demat details provided in the application form are incomplete / incorrect or do not match with the details with the Depository records, the Units will be allotted in account statement mode provided the application is otherwise complete in all respect and accordingly an account statement shall be sent to them.
Minimum Target amount (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	Not Applicable since it is an ongoing scheme.
Maximum Amount to be raised (if any)	Not Applicable since it is an ongoing scheme.
Dividend Polic y (ID CW)	Growth Option: Under the Growth option, there will be no distribution of income and the return to investors will be only by way of capital gains, if any, through redemption at applicable NAV of Units held by them. IDCW Option Under the IDCW option, the Trustee may at any time decide todistribute by way of IDCW, the surplus by way of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee's decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of IDCW. The IDCW will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme / Option at the close of the business hours on the record date, which will be announced in advance. The Fund is required to dispatch IDCW payments within seven working days from the record date. In case the AMC fails to

	dispatch the IDCW payments within the stipulated time of seven working days, it shall be liable to pay interest to the unit holders at 15% p.a. or such other rate as may be prescribed by SEBI from time to time. In case of dynamic lien the IDCW may be credited to the financier The IDCW Option will be available under two sub-options ” the Payout Option and the Reinvestment Option. Payout of IDCW Option: Unitholders will have the option to receive payout of their IDCW by way of IDCW payments or any other means which can be enchased or by way of direct credit into their account. Reinvestment of IDCW Option: Under the reinvestment option, IDCW amounts will be reinvested in the Reinvestment of IDCW Option at the Applicable NAV announced immediately following the record date. The requirement of giving notice shall not be applicable for IDCW Option having frequency upto one month. However, the Trustees reserve the right to introduce new options and /or alter the IDCW payout intervals, frequency, including the day of payout. When units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay IDCW. IDCW can be distributed out of investor’s capital (Equalization Reserve), which is part of sale price that represents realized gains.
Allotment (Detailed procedure)	Pursuant to Para 14.4.4 of SEBI Master Circular no. SEBI/HO/IMD/IMDPoD- 1/P/CIR/2024/90 dated June 27, 2024 and SEBI Circular SEBI/HO/MRD/PoD1/CIR/P/2025/16 dated February 14,2025, the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund shall receive the following: 1. The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). 2. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically. 3. A consolidated account statement (CAS) for each calendar month on or before 12th of the succeeding month shall be sent by email (wherever investor has provided email id) or physical account statement on or before 15th of the succeeding month where investor

	has not provided email id/have opted for delivery via physical mode, across the schemes of the mutual funds, to all the investors in whose folio(s) transaction(s) has/have taken place during the month. The same shall be sent by the AMC or by the Agencies appointed by the AMC for non demat unit holders
Refund	If application is rejected, full amount will be refunded within 5 working days of closure of NFO. If refunded later than 5 working days @ 15% p.a. for delay period will be paid and charged to the AMC
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	The following are eligible to apply for purchase of the Units: • Resident Indian Adult Individuals, either singly or jointly (not exceeding three). • Parents/Lawful guardians on behalf of Minors. • Companies, corporate bodies, registered in India. • Registered Societies and Co-operative Societies authorised to invest in such Units. • Public sector undertakings, public/Statutory corporations subject to general or specific permissions granted to them by the Central/State governments from time to time. • Religious and Charitable Trusts under the provisions of 11(5) of the Income Tax Act, 1961 read with Rule 17C of the Income Tax Rules, 1962. • Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds. • Partner(s) of Partnership Firms. • Association of Persons or Body of Individuals, whether incorporated or not. • Hindu Undivided Families (HUFs). • Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions. • Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis. • Other Mutual Funds registered with SEBI. • International Multilateral Agencies approved by the Government of India. • Army/Navy/Air Force, Para-Military Units and other eligible institutions. • Scientific and Industrial Research Organizations.

	• Provident/Pension/Gratuity and such other Funds as and when permitted to invest. • Public Financial Institution as defined under the Companies Act 2013. • Universities and Educational Institutions. • Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed in the SEBI Regulations and/or by the Trustee, AMC or Sponsor, subscribe to the Units under the Scheme. • Foreign Portfolio Investors (FPIs) or sub-accounts of FPI's registered with SEBI • Public Trusts in Maharashtra can invest up to 50% of its available funds The list given above is indicative and the applicable law, if any, shall supersede the list.
Who cannot invest	Acceptance of Subscriptions from U.S. Persons and Residents of Canada w.e.f. November 17, 2016 : - The Scheme shall not accept subscriptions from U.S. Persons and Residents of Canada, except where The Scheme shall not accept subscriptions from U.S. Persons and Residents of Canada, except where transaction request received from Non – resident Indian (NRIs) / Persons of Indian Origin (PIO) who at the time of investment are present in India and submit physical transaction request along with such declarations / documents as may be prescribed by Kotak Mahindra Asset Management Company Ltd and Kotak Mahindra Trustee Company Ltd. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/ Trustee Company. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to put the transaction request on hold/reject the transaction request, or reverse the units allotted, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard The AMC/Trustee reserves the right to change/modify the provisions mentioned above at a later date.

How to Apply and other details	The investors can submit the Application forms and Key Information Memorandum (along with transaction slip)/ forms for redemption/ switches at the branches of AMC or Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Registrar (CAMS) or distributors or on the website of Kotak Mahindra Mutual Fund (http://www.kotakmf.com). Where Units under a Scheme are held under both Direct Plan and Regular Plan, investors should clearly mention the plan from which redemption/switch requests are to be processed. Further in line with Para 16.2.11 and 16.2.1 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024it has been decided to allow investors can directly access infrastructure of the recognised stock exchanges to purchase mutual fund units directly from Mutual Fund/ Asset Management Companies. Please refer to the SAI and Application form for the instructions. 1. Link for the list of official points of acceptance, collecting banker details are available on 2. Name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc. on back cover page. To inform investors that it is mandatory to mention their bank account numbers in their applications/requests for redemption.
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.	The Asset Management Company shall, on production of instrument of transfer together with relevant documents, shall register the transfer within timelines as defined in the SEBI Regulation. The Units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time and as stated in. Para 14.4.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. Further, for the procedure of release of lien, the investors shall contact their respective DP.
Cut off timing for subscriptions/ redemptions/ switches	Applicable NAV for Purchases/Switch-ins

<table>
<tr>
<td>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</td>
<td>1. In respect of valid applications received upto 3.00 p.m. on a business day and entire amount is available in the mutual fund's account for utilization before the cut off time of the same day – closing NAV of the day of receipt of application;
2. In respect of valid applications received after 3.00 p.m. on a business day and the entire amount is available in the mutual fund's account for utilization before cut off time of the next business day – the closing NAV of the next business day;
3. Irrespective of the time of receipt of the application where the entire amount is available in Mutual fund's account for utilization before cut off time on any subsequent business day – the closing NAV of such subsequent business day.

The above cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day:

1. It is clarified that switches will be considered as redemption in the switch-out scheme and purchase / subscription in the switch-in scheme
2. Cheques received on a business day may be deposited with the primary bankers of the respective location on the next business day. NAV shall be as per the applicable NAV mentioned above. To enable early sighting of funds by the schemes, investors are requested to avail of electronic facilities like RTGS / NEFT in respect of subscriptions and submit the proof of transfer of funds along with their applications. AMC shall not be responsible for any delay on account of banking clearance or circumstances which are beyond the control of AMC.
3. The revised provisions for applicability of NAV based on realization of funds will be applicable to all types of investment including various systematic investments routes (viz, SIP, STP, Transfer of IDCW etc.) as may be offered by the Scheme from time to time.</td>
</tr>
<tr>
<td>Minimum amount for purchase/redemption/switches (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.</td>
<td>Minimum application amount for purchases
<table>
<tr><th>Initial Purchase (Non-SIP)</th><th>Additional Purchase (Non- SIP)</th><th>SIP Purchase</th></tr>
<tr><td>Rs. 100/- and any amount thereafter</td><td>Rs. 100/- and any amount thereafter</td><td>Rs. 100/- and any amount thereafter</td></tr>
</table>
Minimum amount for redemption:</td>
</tr>
</table>

	The minimum redemption amount for all plans will be Rs. 1000/- or 100 units or account balance, whichever is lower.
Waiver of Minimum Subscription Amount	Pursuant to Para 6.10 of SEBI Master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27,2024 and SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/36 dated March 21, 2025 on Alignment of interest of Designated Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes has, inter alia mandated that a minimum of slab wise percentage (as opted by AMC) of gross annual CTC net of income tax and any statutory contributions of the Specified Designated Employees of the AMCs shall be invested in units of the scheme(s) of the Fund in which they have a role/ oversight. Accordingly, the criteria of minimum investment amounts would not apply for such Investments made by Designated Employees of the Kotak Mahindra Asset Management Company Limited in compliance with the aforesaid circular(s).
Accounts Statements	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). A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding 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 by email on or before 12th of the succeeding month, or in physical mode before 15th of the succeeding month. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 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. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs For further details, refer SAI.
Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 For schemes investing atleast 80% of total assets in permissible overseas investments (as per Clause 12.19 of SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024), the transfer of redemption or repurchase proceeds to the unitholders shall be made within five working days from the date of redemption or

	repurchase.
Bank Mandate	As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected. Investors have an option of registering their bank accounts, by submitting the necessary forms & documents. At the time of redemption, investors can select the bank account to receive the amount.
Delay in payment of redemption / repurchase proceeds/dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024by SEBI for the period of such delay
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	In accordance with Para 14.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 and SEBI Letter SEBI/HO/IMD-SEC-2/P/OW/2025/02346/1 dated January 22,2025 the unclaimed Redemption amount and IDCW amount that are currently allowed to be deployed by the Mutual Fund only in call money market or money market Instruments, shall also be allowed to be invested in a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. There shall a separate scheme/plan for Redemption amount and IDCW amount, pending for less than 3 years and more than 3 years Following are timelines for deployment by Mutual fund Transfer of Unclaimed redemption and dividend amount to Unclaimed Dividend and Redemption Scheme (UDRS) after 90 days and not beyond 105 days from date of issuance of the instruments On completion of first 3 years of a separate plan of Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme, AMC shall transfer such units to UDRS plan (> 3 years) within 10 business days of subsequent month The amount of income accrued on daily basis on unclaimed amount beyond 3 years shall be transferred on a monthly basis (ie on or

	before 10th calendar day of subsequent month) to the investor education scheme/folio Provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as as per para 17.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50bps whichever is lower. Investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. AMC shall play a proactive role in tracing the rightful owner of the unclaimed amounts considering the steps suggested by regulator vide the referred circular. As per SEBI Circular no. SEBI/HO/IMD/IMD-SEC-3/P/CIR/2025/15 dated February 12, 2025 a service platform for investors to trace inactive and unclaimed Mutual Fund folios- MITRA (Mutual Fund Investment Tracing and Retrieval Assistant) MITRA platform is developed and hosted by the QRTAs (CAMS and KFintech) would be availablethrough a link on the website of MF Central, AMCs, AMFI, the two QRTAs and SEBI. MITRA platform will facilitate the investors with a searchable database of inactive and unclaimed Mutual Fund folios at an industry-level which will empower the investors on following manner: Enable investors/ legal claimants to identify the overlooked investments or any investments made by any other person for which he/she may be rightful legal claimant. Encourage investors to do KYC as per the current norms thus reducing the number of non-KYC compliant folios. Contribute towards building a transparent financial ecosystem and will be reliable medium for investors to find their inactive and unclaimed Mutual Fund investments. Build and incorporate mitigants against fraud risk An inactive folio shall be defined as “Mutual Fund Folio(s) where no investor-initiated transaction/s (financial and non-financial) have taken place in the last 10 years, but unit balance is available”. This portal would display only Fund Names and investor has to approach the respective MFs for more information.

Disclosure w.r.t investment by minors	As per Para 17.6 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024the following Process for Investments in the name of a Minor through a Guardian will be applicable: a. 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. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed. b. Redemption proceeds shall be credited only in verified bank account of the minor, i.e the account the minor may hold with the parent/legal guardian after completing KYC formalities. c. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. d. AMCs shall build a system control at the account set up stage of Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) on the basis of which, the standing instruction is suspended when the minor attains majority, till the status is changed to major. Please refer SAI for detailed process on investments made in the name of a Minor through a Guardian and Transmission of Units.

III. Other Details

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

Monthly and Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The Mutual Funds/ AMCs, shall disclose portfolio (along with ISIN) as on monthly, half-yearly basis for all the schemes on the website of the Kotak Mahindra Mutual Fund viz. www.kotakmf.comand on the website of AMFI (www.amfiindia.com) within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format. In accordance with Para 5.1 and 5.3 of SEBI Master Circular no.SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024,unitholders whose e-mail addresses are registered, Mutual Funds/AMC shall send the details of the scheme portfolio including the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark while communicating the fortnightly, monthly and half-yearly statement of scheme portfolio via email within 5 days of every fortnight for debt schemes, 10 days from the close of each month for other schemes and 10 days from the close of half-year for all schemes. AMCs shall provide a link to investors to their registered email to enable the investor to directly view/download only the portfolio of schemes subscribed by the said investor. The Mutual Fund / AMC shall provide a physical copy of statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every half-year disclosing the hosting of the half-yearly statement of the schemes on website of Kotak Mahindra Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

Half Yearly Results	The soft copy of unaudited financial results shall within one month from the close of each half year i.e. 31st of March and the 30th of September, be hosted on the website kotakmf.com and will be sent to AMFI for posting on its website www.amfiindia.com. Also an advertisement of hosting of the unaudited results shall be published in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.
Annual Report	Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with Para 5.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.the scheme wise annual report or abridged summary thereof will be hosted on the websitein machine readable formatof Kotak Mahindra Mutual Fund viz.www.kotakmf.comand on the website of AMFI, immediately after approval in Annual General Meetings within a period of four months, from the date of closing of the financial year (31st March).The AMCs shall display the link prominently on the website of the Kotak Mahindra Mutual Fund viz.www.kotakmf.comand make the physical copies available to the unitholders, at their registered offices at all times. Unit holders whose e-mail addresses are not registered will have to specifically 'opt in' to receive physical copy of scheme wise annual report or abridged summary thereof. The unit holders may request for a physical copy of scheme annual reports at a nominal price and the text of the relevant scheme by writing to the Kotak Mahindra Asset Management Company Ltd. / Investor Service Centre / Registrar & Transfer Agents. The Mutual Fund / AMC shall provide a physical copy of abridged report of the annual report, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every year disclosing the hosting of the scheme wise annual report on website of Kotak Mahindra Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.
Risk-o-meter	In accordance with Para 17.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90dated June 27, 2024 and SEBI

	Circular no. SEBI/HO/IMD/PoD1/CIR/P/2024/150 dated November 05, 2024: The Risk-o-meter shall have following six levels of risk: i. Low Risk-Irish Green ii. Low to Moderate Risk-Chartreuse iii. Moderate Risk-Neon Yellow iv. Moderately High Risk-Caramel v. High Risk -Dark Orangeand vi. Very High Risk-Red The evaluation of risk levels of a scheme shall be done in accordance with the aforesaid circular. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders. The risk-o-meter shall be evaluated on a monthly basis and the risk-o-meter alongwith portfolio disclosure shall be disclosed on the AMC website as well as AMFI website within 10 days from the close of each month. The Product Labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.
Scheme Summary Document (SSD)	In accordance with SEBI letter dated December 28, 2021 and AMFI emails dated March 16, 2022 and March 25, 2022, Scheme summary document for all schemes of Kotak Mahindra Mutual Fund in the requisite format (pdf, spreadsheet and machine readable format) shall be uploaded on a monthly basis i.e. 15th of every month or within 5 working days from the date of any change or modification in the scheme information on the website of Kotak Mahindra Mutual Fund i.e.http://www.kotakmf.com AMFI i.e.http://www.amfiindia.com and Registered Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.

B. Transparency/NAV Disclosure

The NAVs of the Scheme will be calculated and disclosed on every Business Day on the website of the Kotak Mahindra Mutual Fund vizhttp://www.kotakmf.comand AMFI's websitehttp://www.amfiindia.comby 11.00 p.m.

In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for the Scheme holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day.

In case the scheme has exposure in overseas securities/Mutual Fund units, the NAV will be published post receipt of the Price/ NAV of the overseas investments on the website of AMFI(http://www.amfiindia.com)and Kotak Mahindra Mutual Fund (http://www.kotakmf.com)by 10.00 a.m. of the following business day in accordance with paragraph 8.2 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.

Delay in uploading of NAV beyond the aforesaid respective timing shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued

Unitholders may avail facility to receive the latest available NAVs through SMS by submitting a specific request in this regard to the AMC/Mutual Fund. Also, information regarding NAVs can be obtained by the Unit holders / Investors by visiting the nearest ISC.

In terms of SEBI regulations, a complete statement of the Scheme portfolio will be sent to all unitholders, within 5 days of each fortnight and within ten days from the close of each month / half-year whose email addresses are registered with the Mutual Fund.

The portfolio of the scheme (alongwith ISIN) shall also be disclosed on the website of Mutual Fund (www.kotakmf.com) and on the website of AMFI (www.amfiindia.com) on a monthly, fortnightly and half-yearly basis within 5 days of every fortnight & within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format.

C. Transaction charges and stamp duty-

(a) Transaction Charges - Investors are requested to note that no transaction charges shall be deducted from the investment amount given by the investor for all transactions / applications (including SIP's) received through the distributors (i.e. in Regular Plan) and full investment amount (subject to deduction of statutory charges, if any) will be invested in the Scheme.

(b) Stamp Duty - A stamp duty @ 0.005% would be levied on all applicable mutual fund transactions. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including reinvestment IDCW and Switch in) to the unitholders would be reduced to that extent.

Details regarding transaction charges and stamp duty refer to SAI.

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

E. Taxation

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

The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.

CAPITAL GAINTAXATION RATES - RESIDENT INDIVIDUAL, HUF, DOMESTIC CORPORATE, NRI$

Particulars	**Investments made**	**Listed or Unlisted**	**Short-term capital gains**		**Long-term capital gains**	
			Investments redeemed on or after 01-04-2025		**Investments redeemed on or after 01-04-2025**	
			Holding Period	**Tax Rate^**	**Holding Period**	**Tax Rate^**
Specified Mutual Fund ('SMF')@	Before 01-04-2023	Listed	NA	NA	> 12 months	12.50%
		Unlisted	NA	NA	> 24 months	12.50%
	On or after 01-04-2023	Listed and Unlisted	Always Short Term	Applicable slab rates	Always Short Term	Applicable slab rates

$ Subject to NRI having Permanent Account Number (PAN) in India. The TDS deductible in case of NRI shall also be increased by applicable surcharge as per Note 1 and 4% health and education cess. In case of NRI, if PAN is not available and specified declaration is not provided as specified under Rule 37BC, TDS @ higher of 20% or rates calculated as above will be deducted. The tax rates are subject to DTAA benefits available to NRI's. As per the Finance Act 2013, submission of tax residency certificate ("TRC") will be necessary for granting Double Taxation Avoidance Agreement ("DTAA") benefits to non-residents. A Taxpayer claiming DTAA benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. Further, in addition to the TRC, the non-resident shall also provide electronically filed Form 10F and such other documents /information, as may be prescribed by the Indian Tax Authorities and Kotak Mahindra Mutual Fund or Kotak Mahindra Asset Management Company Ltd. Further investor needs to certify in its No PE declaration that the one of the principle purpose of investment is not to avail the treaty benefits & the investment asset & investment income are beneficial hold by the investor claiming DTAA benefits.

@ For FY 2024-25, Specified Mutual Fund is defined as where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies. However, Finance (No 2) Bill, 2024 has amended the definition of Specified Mutual Fund w.e.f. FY 2025-26 as -
a Mutual Fund by whatever name called, which invests more than sixty-five per cent of its total proceeds in debt and money market instruments;
or a fund which invests sixty-five per cent or more of its total proceeds in units of a fund mentioned in clause (i)
^ Tax rates for resident and non-residents shall be increased by applicable surcharge as per Note 1 and 4% Health & Education Cess.

TAX IMPLICATION ON INCOME DISTRIBUTION CUM CAPITAL WITHDRAWAL (IDCW) RECEIVED BY UNIT HOLDERS

Categories of Unit Holders	**Threshold**	**TDS Rate**	**Taxation Rate**
Resident Unit Holders	Rs. 10,000 (w.e.f 1st April, 2025)	10%	As per applicable slab rates plus applicable surcharge and cess (Refer Note 1)
Non-Resident Unit Holders (subject to DTAA benefits, in case applicable)			
(1) FII/FPI	NIL	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
(2) Foreign company/corporates			
Purchase in Indian Rupees	NIL	20% plus applicable surcharge and cess (Refer note 1)	35% plus applicable surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NIL	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
(3) Others			

Purchase in Indian Rupees	NIL	20% plus applicable surcharge and cess (Refer note 1)	At slab rates applicable plus applicable surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NIL	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)

Note 1: -
A) In case of foreign companies;
- 2% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000
- 5% where the total income exceeds Rs. 100,000,000
B) In case of resident domestic corporate unit holders;
- 7% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or
- 12% where the total income exceeds Rs. 100,000,000
- 10% where domestic company is eligible & exercises the option granted u/s 115BAA or 115BAB of the Act.
C) In case of non-corporate resident unit holders being partnership firms covered under Indian Partnership Act, 1932/ Limited liability partnership covered under Limited Liability Partnership Act, 2008:
- 12% where the total income exceeds Rs.10,000,000

D) I) In case of resident and non-resident unit holders being individual, HUF, AOP, BOI and artificial juridical person (opting old regime of taxation);

Income	Surcharge Rates		
Total Income	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Capital gains covered under section 111A, section 112A, section 112, & 115AD(1)(b) & company dividend.
Upto 50Lakh	-	Nil	Nil
More than 50Lakh up to 1 Cr	-	10%	10%
More than 1 Cr but up to 2Cr	-	15%	15%
More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr but up to 5 cr	25%	15%
	More than 5Cr	37%	15%

II. In case of resident and non-resident unit holders being individual, HUF, AOP, BOI and artificial juridical person (who have not elected for old regime of taxation);

Income	Surcharge Rates		
Total Income	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Capital gains covered under section 111A, section 112A, section 112, & 115AD(1)(b) & company dividend.
Upto 50Lakh	-	Nil	Nil
More than 50Lakh up to 1 Cr	-	10%	10%
More than 1 Cr but up to 2Cr	-	15%	15%
More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr	25%	15%

Note 2: - W.e.f. 01.04.2020, as per Section 115R, no additional income tax payable on amount of distributed income on or after 01.04.2020.
The salient features of the capital gain tax are as under:

- Long term capital gains in excess of Rs. 1.25 lakh shall be taxable at rates mentioned in table above plus surcharge (if any, as applicable) plus health & education cess @ 4%.
- The capital gain will be computed without giving effect to the 1st and 2nd proviso to section 48 in the manner laid down under the section i.e. without indexation benefit and without foreign currency conversion benefit

Note 4: - Tax Rates Regimes available for Domestic Corporate companies-
(a) 30% if investor falls into highest tax bracket.
(b) 25% If total turnover or gross receipts in the financial year 2020-21 does not exceed Rs. 400 crores.
(c) 22% lower rate is optional and subject to fulfilment of certain conditions (not claiming specified incentives and deductions) as provided in section 115BAA.
(d) 15% lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfilment of certain conditions (not claiming specified incentives and deductions as provided in section 115BAB.

Further, the domestic companies are subject to minimum alternate tax (except for those who opt for lower rate of tax of 22%/15%) not specified in above tax rates

Note 5: - As per section 139AA of the Income tax Act, 1961 (‘the Act’) read with rule 114AAA of the Income-tax Rules, 1962, in the case of a resident person, whose PAN has become inoperative due to PAN-Aadhaar not being linked on or before 30 June 2023, it shall be deemed that he has not furnished the PAN and tax could be withheld at a higher rate of 20% as per section 206AA of the Act

Note 6: - Relaxation to non-residents from deduction of tax at higher rate in the absence of PAN subject to them providing specified information and documents.

Note 7: - It is assumed that the mutual fund units are held as capital assets by the investors.

Note 8: - Under Section 115BAC w.e.f. 01.04.2023, all individual, HUF, AOP, BOI is required to pay tax at concessional rates (as below) under the new tax regime subject to the condition that certain exemptions/ losses/ deductions cannot be claimed. In case such taxpayer intends to claim deductions / exemptions, it may elect to opt for existing tax and slabs rates to continue to apply.

SECURITIES TRANSACTION TAX

Money Market or Liquid Fund	Other Than Equity Oriented Fund
Nil	Nil

F. Rights of Unitholders

Please refer to SAI for details.

G. List of official points of acceptance:

Details of Official Acceptance Points is available https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim

H. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations for Which Action May Have Been Taken or Is In The Process Of Being Taken By Any Regulatory Authority

The detailed data in respect of penalties, pending litigations, findings of inspection or investigation is available at https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim

Notes:

1. Further, any amendments / replacement / re-enactment of SEBI Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Document.
2. The Trustees have ensured that the Scheme approved by them is a new product offered by Kotak Mahindra Mutual Fund and is not a minor modification of any existing scheme/fund/product.
3. Notwithstanding anything contained in the Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

For and on behalf of the Board of Directors,
Kotak Mahindra Asset Management Company Limited
(Investment Manager of Kotak Mahindra Mutual Fund)
Sd/-

Place:
Mumbai

Ms. Jolly Bhatt

Compliance Officer

Date: November 28, 2025

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.