kotak® Mutual Fund

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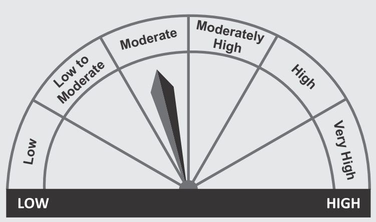
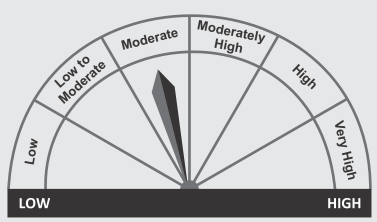
SCHEME INFORMATION DOCUMENT
(SID)

SECTION I

KOTAK NIFTY SDL PLUS AAA PSU BOND JUL 2028 60:40 INDEX FUND

An open-ended Target Maturity Index Fund investing in constituents of Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index. A relatively high interest rate risk and relatively low credit risk.

This product is suitable for investors who are seeking*:	Scheme Riskometer	Benchmark Riskometer
• Income over Target Maturity Period • Target Maturity Index Fund tracking Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index	 Investors understand that their principal will be at moderate risk	 Investors understand that their principal will be at moderate risk Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index

* 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 May 31, 2024. 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/2023/74 dated May 19, 2023, 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			
Relatively High	**A - III**		

Continuous Offer for Units at NAV based prices

Scheme Re-opens on: October 20, 2022

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 June 28, 2024.

TABLE OF CONTENT

PART I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	**Title**	**Description**
I.	**Name of the scheme**	Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund
II.	**Category of the Scheme**	Other Schemes – Debt Oriented Index Fund
III.	**Scheme type**	An open-ended Target Maturity Index Fund investing in constituents of Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index. A relatively high interest rate risk and relatively low credit risk.
IV.	**Scheme code**	KOTM/O/O/DIN/22/01/0078
V.	**Investment objective**	The investment objective of the scheme is to track the Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index by investing in SDLs and PSU Bonds, maturing on or before Jul 2028, subject to tracking difference. **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 Return Index)**	Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Benchmark Rationale- As the Scheme is an Index Fund and would replicate/track the securities constituting Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index , the said Index 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.com and AMFI's website www.amfiindia.com by 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 sub options 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) Payout of Income Distribution cum Capital Withdrawal Option 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**: • For redemption / switch-out of units on or before 30 days from the date of allotment: 0.15% of applicable NAV.

		• For redemption / switch-out of units after 30 days from the date of allotment – Nil Redemption of units would be done on First in First out Basis (FIFO). Any exit load charged (net off Goods & Service Tax, if any) shall be credited back to the respective Scheme. Units issued on reinvestment of IDCW shall not be subject to entry and exit load. 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/Switch in: Rs. 100/- and any amount thereafter. SIP Purchase: Rs. 100/- and any amount thereafter.
XIII.	**Minimum 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. 100/- 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**	Not Applicable
XIX.	**Stock lending/short selling**	Stock lending has been enabled in the scheme. For Details, kindly refer SAI
XX.	**How to Apply**	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 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.
XXII.	**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 6th Floor, 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-us or WhatsApp us by sending us “Hi” at 9321884488. For portfolio valuation, give a missed call to 7039055555
XXIII	**Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)**	
XXIV	**Special product /facility available on ongoing basis**	The Following facilities are available under the Scheme

		1. Systematic Investment Plan 2. SIP Top Up Facility 3. Systematic Transfer Plan 4. Systematic Withdrawal Plan 5. Transfer of Income Distribution cum capital withdrawal (IDCW) Plan 6. Switching 7. Daily frequency under Systematic Transfer Plan Facility 8. Variable Transfer Plan ('VTP') 9. Smart Facility For further details of above special products / facilities, kindly refer SAI
XXV.	**Weblink**	Link for Total Expense Ratio (TER) last 6 months, Daily TER as well as - https://www.kotakmf.com/Information/TER Link for scheme factsheet https://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) The AMC has complied with the compliance checklist applicable for Scheme Information Documents and there are no deviations from the regulations

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

(viii) The Trustees have ensured that the Kotak Multi Asset Allocation 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: June 28th, 2024 **Name: Jolly Bhatt**
Place: Mumbai **Designation: Compliance Officer**

PART II. INFORMATION ABOUT THE SCHEME

A. How will the scheme allocate its assets?

The asset allocation under the Scheme, under normal circumstances, is as follows:

Instruments	**Indicative Allocation (% of total assets)**	
	Minimum	Maximum
Replication of securities covered by Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index^	95	100
Cash & Debt/Money Market Instruments**	0	5

^Pursuant to para 3.5 of SEBI Master circular no SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 replication of the Index by the Scheme shall be as follows:

a. The Scheme shall replicate the underlying index:
b. The duration of the portfolio of ETF/ Index Fund replicates the duration of the underlying index within a maximum permissible deviation of +/- 10%.
c. ETFs/Index Funds replicating a Constant Maturity index may invest in securities with residual maturity within +/- 10% of maturity range of the index.
d. In case of Target Maturity (or Target Date) ETFs/ Index Funds, the following norms for permissible deviation in duration shall apply:
e. For portfolio with residual maturity of greater than 5 years: Either +/- 6 months or +/- 10% of duration, whichever is higher.
f. For a portfolio with residual maturity of up to 5 years: Either +/- 3 months or +/- 10% of duration, whichever is higher.
g. However, at no point of time, the residual maturity of any security forming part of the portfolio shall be beyond the target maturity date of the ETF/ Index Fund.
h. For an index based on G-Sec and SDLs, single issuer limit shall not be applicable.
i. Investment in securities of issuers accounting for at least 60% of weight in the index, represents at least 80% of net asset value (NAV) of the ETF/ Index Fund.
j. At no point of time the securities of issuers not forming part of the index exceed 20% of NAV of the ETF/ Index Fund.
k. The investment in various securities are aggregated at issuer level for the purpose of exposure limits.
l. The exposure limit to a single issuer by the ETF/ Index Fund shall be as under:

- For AAA rated securities, exposure to a single issuer by the ETF/ Index Fund shall not have more than 10% weight in the portfolio. However, for AAA rated securities of PSU and AAA rated securities of PFI issuers the said limit shall be 15%.
- For AA rated securities, exposure to a single issuer by the ETF/ Index Fund shall not have more than 8% weight in the portfolio.
- For A and below rated issuances, exposure to a single issuer by the ETF/ Index Fund shall not have more than 6% weight in the portfolio.

m. Total exposure of the ETF/ Index Fund in a particular group (excluding investments in securities issued by PSUs, PFIs and PSBs) shall not exceed 25% of NAV of the scheme. For the purpose of this provision, 'group' shall have the same meaning as defined in Para 12.9 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023.

n. Total exposure of the ETF/ Index Fund in a particular sector (excluding G-sec, t-Bills, SDLs and AAA rated securities issued by PSUs, PFIs and PSBs) shall not exceed 25% of the NAV of the scheme. However, this provision shall not be applicable for schemes based on sectoral or thematic debt indices.
o. The Macaulay Duration (hereinafter referred as "duration") of the portfolio of the ETF/ Index Fund replicates the duration of the underlying index within a maximum permissible deviation of +/- 10%.
p. In case of Target Maturity (or Target Date) ETFs/ Index Funds, the following norms for permissible deviation in duration shall apply:
q. For portfolio with residual maturity of greater than 5 years: Either +/- 6 months or +/- 10% of duration, whichever is higher.
r. For a portfolio with residual maturity of up to 5 years: Either +/- 3 months or +/- 10% of duration, whichever is higher.
s. However, at no point of time, the residual maturity of any security forming part of the portfolio shall be beyond the target maturity date of the ETF/ Index Fund.
t. The rating wise weightage of debt securities in the portfolio of ETF/ Index Fund replicates the underlying index. However, greater allocation of up to 10% of the portfolio may be made to higher rated debt securities.

**Investment in Debt instruments (for liquidity purpose) will be of less than 1-year residual maturity

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, triparty repo and any other like instruments as specified by the Reserve Bank of India from time to time.

In accordance with clause 4 of Seventh Schedule of SEBI (Mutual Funds) Regulations 1996, The scheme may invest upto 5% of net assets/debt and money market instruments in another scheme of the Kotak Mahindra Mutual Fund or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management of Kotak Mahindra Asset Management Company Limited or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of Kotak Mahindra Mutual Fund.

Subject to SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, and Para 12.11 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, as amended from time to time, the Trustee may permit the Fund to engage in securities lending and borrowing. 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, will be allowed to lend securities subject to a maximum of 20%, in aggregate, of the net assets of the Scheme and 5% of the net assets of the Scheme in the case of a single intermediary.

As per para 12.24 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, The cumulative gross exposure through debt, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.

Pursuant to para 12.25 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023 and SEBI Letter to AMFI dated November 03, 2021, Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days:

a) Government Securities;
b) T-Bills; and
c) Repo on Government securities

The Scheme does not intend to undertake/ invest/ engage in:

- Derivatives;
- Repos in corporate debt securities;
- Short selling of securities;
- Structured obligations and credit enhancements.
- Foreign securities/ADR/GDR;
- Securitised debts;
- Fund of Fund Schemes;
- Credit Default Swaps;
- Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs); and
- Debt instruments with special features as referred to in Para 9.4, 4.4.4, 12.7.2 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

For residual portion of 5% in the asset allocation, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the fund follows certain internal norms vis-à-vis limiting exposure to a particular scrip, issuer or sector, etc. within the mentioned restrictions, and these are subject to review from time to time.

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

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1.	Securities Lending	Aggregate - 20% of net assets of the Scheme. Single intermediary - 5% of the net assets of the Scheme	Para 12.11.2.1 of Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023 /74 May 19, 2023
2.	Units of Mutual Fund	5% of net assets/debt and money market instruments	clause 4 of Seventh Schedule of SEBI (Mutual Funds) Regulations 1996
3	Securitized Debt (Domestic)	The Scheme shall not invest in Securitized Debt.	N.A.
4	Foreign securities/ADR/GDR	The Scheme shall not invest in Foreign securities/ADR/GDR.	N.A.
5	ReITS and InVITS	The Scheme shall not invest in ReITS and InVITS.	N.A.
6	Derivatives	The Scheme shall not invest in Derivatives.	N.A.

7.	Repo in corporate debt (gross exposure)	The Scheme shall not invest in Repo in corporate debt	N.A.
8.	Credit Default Swaps	The Scheme shall not invest in Credit Default Swaps	N.A.
9.	Fund of Fund Schemes	The Scheme shall not invest in Fund of Fund Schemes.	N.A.
10.	Structured obligations and credit enhancement	The Scheme shall not invest in Structured obligations and credit enhancement	N.A.
11.	Short selling of securities;	The Scheme shall not invest in Short selling of securities.	N.A.
12.	Debt instruments with special features as referred to in Para 9.4, 4.4.4, 12.2 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023	The Scheme shall not invest Debt instruments with special features.	N.A.

Portfolio rebalancing:

As per para 2.9 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, 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/2023/74 dated May 19, 2023, 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. Such changes in the investment pattern will be rebalanced within 7 calendar days from the date of deviation.

B. Where will the scheme invest?

The amount collected under the scheme will be invested predominantly in securities constituting the Index and debt and money market instruments. Subject to the Regulations, the amount collected under this scheme can be invested in any (but not exclusively) of the following securities/ debt instruments:

a. Investment in State Development Loans (SDLs) of State Government/UTs: The Scheme would invest in State Development Loans issued by State Governments, forming part of Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index and endeavor to track the benchmark index.
b. The Scheme would invest in bonds issued by PSU issuers forming part of Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index and endeavor to track the benchmark index
c. A small portion of the net assets will be invested in money market instruments permitted by SEBI / RBI including (CPs, CDs, Tbills, Mibor linked instruments with daily Put/Call options & overnight Interest Rate Reset Linked Instruments) as may be provided by the RBI, to meet the liquidity requirements of the Scheme.
d. 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).
e. 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)
   - Triparty repo on Government securities or treasury bills, Bills re-discounting
f. Securities Lending as permitted by SEBI from time to time.

The securities/debt instruments mentioned above could be listed or unlisted, secured or unsecured, rated 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 Schemes may also enter into repurchase and reverse repurchase obligations in all securities held by it as per guidelines/regulations applicable to such transactions.

Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed, in lines with Para 12.30 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

C. What are the investment strategies?

Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund maturity is a passively managed index fund which will employ an investment approach designed to track the performance of Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index. The Scheme will follow Buy and Hold investment strategy in which debt instruments by PSU & state government securities will be held till maturity unless sold for meeting redemptions/rebalancing. The Scheme shall endeavor to replicate the index. In case the Scheme is not able to replicate the index the Fund Manager may invest subject to deviations as permitted under SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 as amended from time to time. During normal circumstances, the Scheme’s exposure to money market instruments will be in line with the asset allocation table. However, in case of maturity of instruments in the Scheme portfolio, the reinvestment will be in line with the index methodology.

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 being an open ended scheme, it is expected that there would be frequent subscriptions and redemptions. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. 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. If trading is done frequently there may be an increase in transaction cost such as brokerage paid etc. 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?

The performance of Kotak Nifty SDL Jul 2026 Index Fund is benchmarked against the Nifty SDL Jul 2026 Index.

Justification for adoption of benchmark: As the Scheme is an Index Fund and would replicate/track the securities, constituting Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index
the said Index is most suited for comparing the performance of the Scheme.

E. Who manages the scheme?

Mr. Abhishek Bisen is the Fund Manager for the Scheme. He is managing the scheme since inception.

Name	Age	Qualification	Business Experience	Schemes Managed
Mr. Abhishek Bisen	45 Years	B A Management, MBA Finance EPAF-IIM-C	Mr. Abhishek Bisen has been associated with the company since October 2006 and his key responsibilities include fund management of debt schemes. Prior to joining Kotak AMC, Abhishek was working with Securities Trading Corporation of India Ltd where he was looking at Sales & Trading of Fixed Income Products apart from doing Portfolio Advisory. His earlier assignments also include 2 years of merchant banking experience with a leading merchant banking firm.	Kotak Bond Fund Kotak Gilt fund Kotak Debt Hybrid Fund Kotak Gold Fund Kotak Gold ETF Kotak Equity Savings Fund Kotak Equity Hybrid Fund Kotak Balanced Advantage Fund Kotak NASDAQ 100 Fund of Fund Kotak Nifty 50 Index Fund Kotak Nifty Alpha 50 ETF Kotak Nifty Midcap 50 ETF Kotak Multi Asset Allocator Fund of Fund – Dynamic Kotak Multicap Fund Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund Kotak Nifty SDL APR 2032 Top 12 Equal Weight Index Fund Kotak Manufacture in India Fund Kotak Nifty India Consumption ETF Kotak Nifty MNC ETF Kotak Nifty 100 Low Volatility 30 ETF

				Kotak Banking and PSU Debt Fund Kotak Bond Short Term Fund Kotak Dynamic Bond Fund Kotak Business Cycle Fund Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund Kotak All Weather Debt FOF Kotak Nifty SDL JUL 2026 Index Fund Kotak Silver ETF Kotak Nifty SDL JUL 2033 Index Fund Kotak Banking and Financial Services Fund Kotak Silver ETF Fund of Fund Kotak Nifty 200 Momentum 30 Index Fund Kotak Quant Fund Kotak Nifty Financial Services Ex-Bank Index Fund Kotak BSE Housing Index Fund Kotak Multi Asset Allocation Fund Kotak Nifty G-Sec July 2033 Index Fund Kotak Consumption Fund Kotak Healthcare Fund. Kotak Technology Fund. Kotak Long Duration Fund. Kotak Nifty AAA Bond Jun 2025 HTM Index Fund.

F. How is the scheme different from existing schemes of the mutual fund?

The reference list of existing schemes under debt index scheme are given below:

1. Kotak Nifty G-Sec July 2033 Index Fund
2. Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund
3. Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund
4. Kotak Nifty SDL Jul 2026 Index Fund
5. Kotak Nifty SDL Jul 2033 Index Fund
6. Kotak Nifty AAA Bond June 2025 HTM Index Fund.

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

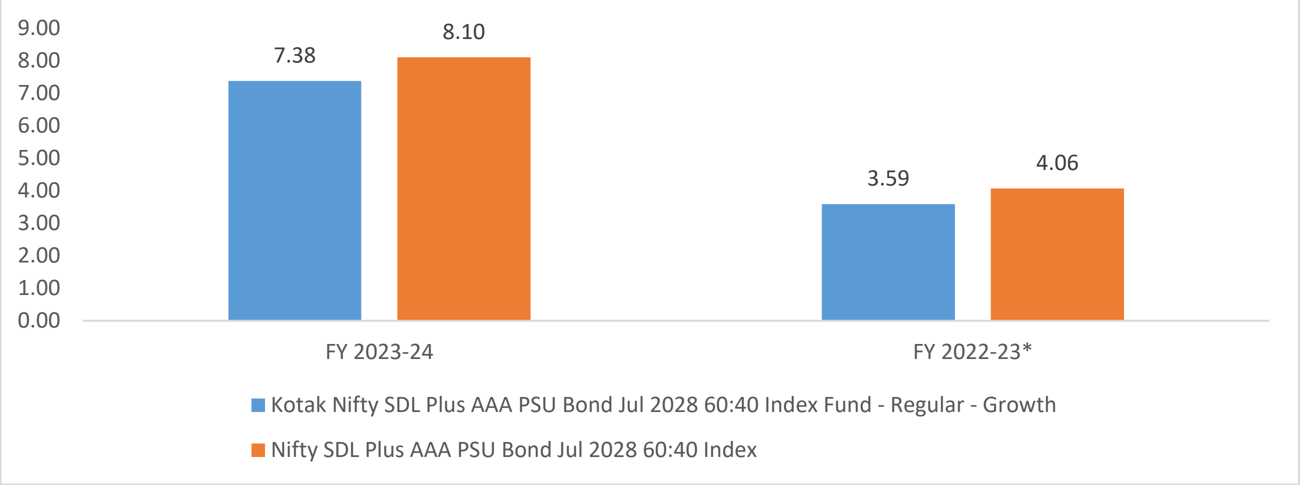
G. How has the scheme performed?

Performance of the scheme as on May 31, 2024

Compounded Annualised Returns	Scheme Returns (%)	Benchmark Returns (%)#
Returns for the Last 1 Year	6.51%	6.94%
Returns for the Last 3 Years	NIL	NIL
Returns for the Last 5 Years	NIL	NIL
Since Inception	7.48%	8.27%

Nifty SDL Plus AAA PSU Bond Jul 2028
Scheme Inception date is 13/10/2022. Past performance may or may not be sustained in future.

Absolute Returns (%) for each financial year for the last 5 years



H. Additional scheme related disclosures

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

ii. **Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description. -** https://www.kotakmf.com/Information/statutory-disclosure/etfcommunication

iii. **Portfolio Disclosure** - The detailed portfolio and related disclosures for the scheme please refer our website https://www.kotakmf.com/Information/statutory-disclosure/information

iv. **Portfolio Turnover Rate**: Not applicable (As on May 31, 2024)

iv. **Aggregate investment in the Scheme by**:

Sr. No.	**Category of Persons**	**Net Value**		**Market Value (in Rs.)**
1.	Concerned scheme's Fund Manager(s)	Units	NAV per unit	
	NIL	NIL	NIL	NIL

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

v. Investments of AMC in the Scheme:
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:

NA V =	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 three 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.

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 95% 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

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

The AMC has estimated that the following percentage daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund viz. www.kotakmf.com

Total Expense Ratio for the scheme

Expenses Structure	% of daily Net Assets
Investment Management & Advisory Fee	Upto 1.00 %
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements/ IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including Agents Commission and statutory advertisement	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education & awareness	
Brokerage & transaction cost pertaining to distribution of units	
Goods & Services Tax on expenses other than investment and advisory fees	
Goods & Services Tax on brokerage and transaction cost	
Other Expenses (to be specified as per Reg 52 of SEBI MF Regulations)	
Maximum Total expenses ratio (TER) permissible under Regulation 52(6) (b)	Upto 1.00 %

Additional expenses under regulation 52 (6A) (c)	Upto 0.05%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

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

With reference to SEBI's letter no. SEBI/HO/ IMD/ IMD-SEC-3/ P/ OW/ 2023/ 5823/ 1 dated February 24, 2023, and AMFI Circular No. CIR/ ARN-23/ 2022-23 March 07, 2023, the B-30 incentive structure for new inflows has been kept in abeyance with effect from March 01, 2023 till the incentive structure is appropriately re-instated by SEBI with necessary safeguards.

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

Commission/ Distribution expenses will not be charged in case of Direct Plan. The TER of Direct Plan will be lower than Regular Plan.
In terms of the SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018, 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.

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.

<u>Additional expenses which may be charged to the Scheme</u>

The following additional expenses may be charged to the Schemes 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 for cash market transactions. Any payment towards brokerage & transaction costs, over and above the said 12 bps for cash market transactions may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Finds) Regulations, 1996.
- Expenses not exceeding of 0.30 % of daily net assets, if the new inflows from beyond top 30 cities are at least:

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

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

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

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

Provided further that the additional TER can be charged based on inflows only from 'retail investors' (Para 10.1.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, has defined that inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor") from beyond top 30 cities.

Provided that the additional commission for beyond top 30 cities shall be paid as trail only.

In case inflows from beyond top 30 cities is less than the higher of (i) or (ii) above, additional TER on daily net assets of the scheme shall be charged as follows:

Daily net assets X 30 basis points X New inflows from individual investors from beyond top 30 cities
----
365* X Higher of (i) or (ii) above

* 366, wherever applicable.

Additional expenses upto 0.05% of daily net assets of the schemes, incurred towards different heads mentioned under Regulation 52 (2) and 52 (4).

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 paragraph 12.19 of SEBI master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023. 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. here will be no sub limit on management fee, and it shall be within the overall TER specified above.

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

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of www.kotakmf.com or may call at 18003091490 or your distributor.

Type of Load	**Load chargeable (as % age of NAV)**
Exit	• For redemption / switch-out of units on or before 30 days from the date of allotment: 0.15% of applicable NAV. • For redemption / switch-out of units after 30 days from the date of allotment – Nil

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

* In terms of Para 10.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, no entry load will be charged on purchase / additional purchase / switch-in. The commission as specified in 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 exit load charged (net off Goods and Services tax, if any) shall be credited back to the Scheme.

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.

As required under the Regulations, the asset management company shall ensure that the repurchase price of an open ended scheme is not lower than 95% of the Net Asset Value.

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

Section II

I. INTRODUCTION

A. Definitions/interpretation

B. Risk factors

Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down. The value of investments 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
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund is only the name of the scheme and does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 2,50,000 made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme.

Scheme Specific Risk Factors:

The Scheme is a passively managed scheme. The Scheme shall endeavor to invest in the securities included in its Underlying Index regardless of their investment merit, subject to deviations permitted as per extant SEBI circulars as amended from time to time. The AMC does not attempt to individually select securities or to take defensive positions in declining markets.

Portfolio Concentration Risk

To the extent that the Scheme may concentrate its investments in the securities of certain issuers sectors, the Scheme will therefore be subject to the risks associated with such concentration. In addition, the Scheme may be exposed to higher levels of volatility and risk than would generally be the case in a more diverse fund portfolio of debt securities. Such risks may impact the Scheme to the extent that it invests in particular issuers sectors even in cases where the investment objective is more generic.

Risk specific to investing in companies forming part of Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index:

The underlying companies forming part of Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index has AAA rated PSU bonds and SDL securities which are well researched. They also enjoy liquidity. The risk to investing in these securities would emanate from debt market risk in general. Also a risk may arise in case the sector to which the company belongs may not perform in line with the broader market.

Risks associated with Tracking error/ Tracking Difference:

Tracking error/ difference means the extent to which the NAV of the fund moves in a manner inconsistent with the movements of the benchmark index on any given day or over any given period of time due to any cause or reason whatsoever including but not limited to expenditure incurred by the scheme, IDCW payouts if any, whole cash not invested at all times as it may keep a portion of funds in cash to meet redemption etc. Tracking difference is the difference of return between the scheme and benchmark annualized over 1 year, 3 year, 5 years, 10 years and since inception period. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs, the tracking difference may exceed 1.25% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. However, the Fund will endeavor to limit the tracking difference over one-year period within 1.25% limits.

- Tracking error / difference could be the result of a variety of factors including but not limited to:
- Delay in the purchase or sale of securities / Issuances within the benchmark due to
- Illiquidity in the securities
- Delay in realisation of sale proceeds
- The scheme may buy or sell the securities comprising the index at different points of time during the trading session at the then prevailing prices which may not correspond to its valuation prices.
- The potential for trades to fail, which may result in the Scheme not having acquired the securities at a price necessary to track the benchmark price.
- Index providers may either exclude or include new securities in their periodic review of the securities that constitute the underlying index. In such situations the scheme will endeavour to rebalance the portfolio in line with the index. But may not able to mirror the index immediately due the available investment/reinvestment opportunity.
- The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, payouts of IDCW etc.
- Execution of large buy / sell orders
- Delay in credit of securities
- Transaction cost and recurring expenses
- Delay in realisation of Unit holders’ funds
- Maintenance of margins

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

a) Credit 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.

b) 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. However, debt securities in the scheme are intended to be held till maturity. For such securities held till maturity, there will not be any interest rate risk at the end of the tenure.

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.

c) 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, 11.00% p.a., its market value would drop to Rs. 97.53 (i.e. 2.47%) If the security is up-graded to AAA category which commands a market yield of, say, 9.00% p.a. its market value would increase to Rs102.51 (i.e. by 2.51%). 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	10.00	100.00
If upgraded to AAA	9.00	102.51
If downgraded to A	11.00	97.53

d) 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.

e) 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.

f) 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.

g) 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 in the Statement of Additional Information (SAI).

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.

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.

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.
- Ascertaining fair value of segregated securities may be difficult in the absence of an active securities market

C. Risk mitigation strategies

Type of Risks	Measures/ Strategies to control risks
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.
Market/Volatility Risk	The Scheme, being a Target Maturity Date Index structure, is expected to follow a Buy and Hold investment strategy in a passive manner. Based on that, we expect to mitigate intermittent price volatility in the underlying assets. Investors who remain invested until the maturity of the Scheme are expected to mitigate market / volatility risk to large extent.
Credit risk	The Scheme seeks to track GSec Index which are considered as relatively safe.
Liquidity risk	The Scheme that seeks to track GSecs which has higher level of secondary market liquidity.
Interest rate risk	The Scheme, being a Target Maturity Date Index structure, is expected to follow a Buy and Hold investment strategy in a passive manner. All investments will be in line with the maturity date of the Scheme and the underlying Index. This should help mitigate the interest rate risk.
Tracking errors	Over a short period, the Scheme may carry the risk of variance between portfolio composition and Benchmark. The objective of the Scheme is to closely track the performance of the Underlying Index over the same period, subject to tracking error. The Scheme would endeavor to maintain a low tracking error by actively aligning the portfolio in line with the Index.
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 Scheme 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.
Segregated Portfolio	In such an eventuality it will be AMC’s endeavor to realise the segregated holding in the best interest of the investor at the earliest.
Units of overnight & liquid mutual fund schemes	Mutual Fund portfolios are generally well diversified and typically endeavor to provide liquidly normally within T+2

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

The Scheme shall invest in the following securities as per the limits specified in the asset allocation table of Scheme, subject to SEBI (MF) Regulations.

Securities/Instruments	Definitions
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 to time. • Repo of corporate debt securities	"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. "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. Treasury 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. Triparty 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. Repos / Reverse Repos enables collateralized short term borrowing and lending through sale/purchase operations in debt instruments (including corporate bonds). Bills Re-discounting is an instrument where a financial institution discounts the bills of exchange that it has discounted previously with another financial institution.
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.

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.

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.

Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed, in lines with Para 12.30 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

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. 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 or through Request for Quote (RFQ) platform set up by exchanges. Such trades are reported in reporting platforms set up by FIMMDA/CCIL/Exchanges and settled through the exchanges. 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.

RBI has introduced the Negotiated Dealing System (NDS) platform for screen-based trading in Government Securities (Gsecs) and Treasury Bills/Cash Management Bills. Most of the market participants are now operating through NDS. RBI also facilitates trades in Tri-party Repo (TREP) in Gsecs through TREPS i.e. Tri-party Repo Dealing System and Market repos in Gsecs through Clearcorp Repo Order Matching System(CROMS).

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 31st May, 2024 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	6.60-6.65
91 Day Treasury Bill	6.83-6.85
364 Day Treasury Bill	6.98-7.00
P1+ Commercial Paper 90 Days	7.12-7.15
3-Year Government of India Security	6.95-6.97
5-Year Government of India Security	6.97-6.99
10-Year Government of India Security	6.97-7.00

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., 2023 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. The Scheme shall not invest more than 10% of its NAV in the equity shares or equity related instruments of any company.

   Provided that, the limit of 10% shall not be applicable for investments in case of index fund or exchange traded fund or sector or industry specific scheme including thematic fund.

2. All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.

3. The Mutual Fund under all its Scheme(s) shall not own more than 10% of any company's paid up capital carrying voting rights.

   Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 7B.

4. 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 the Board 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 tri-party 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.

5. 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/2023/74 dated May 19, 2023. 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.

6. 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.

7. 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.

8. 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 Sponsors which is in excess of 25% of the net assets.

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

10. 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) the same are in line with Para 12.30 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.
11. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

- Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.
- Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.
- Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

12. 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 Schemes for the purpose of payment of interest or Reinvestment of Income Distribution cum capital withdrawal option (IDCW) to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Schemes and the duration of such borrowing shall not exceed a period of six months.

13. The Mutual Fund shall enter into transactions relating to Government Securities only in Electronic form.

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

15. 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 Para 12.16 and 4.5 of SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, 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.

16. In accordance with the Para 12.1 SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, 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.

iv. Investments in debt instruments, listed debt instruments shall include listed and to be listed debt instruments

17. Investments in Derivatives shall be in accordance with the guidelines as stated under Para 7.5, 7.6 and 12.25 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 as may be amended from time to time.
18. In accordance with para 12.26 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the exposure to Exchange Traded Commodity Derivatives (ETCD's) shall not be more than 30% of the net asset value of the scheme. Mutual fund schemes shall invest in ETCDs of a particular goods or commodity (single), not exceeding 10% of net asset value of the scheme.
    As per SEBI (MF) Regulations, mutual fund schemes investing in exchange traded commodity derivatives may hold the underlying goods in case of physical settlement of such contracts.
19. Investment restrictions w.r.t. REITs and InvITS:

a) The Mutual Fund under all its schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT.
b) The Scheme shall not invest more than 10% of its NAV in the units of REITs and InvITs.
c) The Scheme shall not invest more than 5% of its NAV in the units of REITs and InvITs issued by a single issuer.

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 respective 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 Scheme follows certain internal norms vis-à-vis limiting exposure to scrips, sectors etc, within the above mentioned restrictions, and these are subject to review from time to time.

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

C. Fundamental Attributes

Following are the fundamental attributes of the schemes, in terms of Regulation 18 (15A) of SEBI (MF) Regulations:

(i) Type of the scheme: As mentioned under the heading "Type of the Scheme" 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. Index Methodology:

The performance of Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund is benchmarked against the Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index

a. About Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index

Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index seeks to measure the performance of portfolio of State Development Loans (SDLs) and AAA rated bonds issued by PSUs maturing during the twelve-month period ending July 31, 2028.

The index is computed using the total return methodology including price return and coupon return

The index has a base date of September 27, 2022 and a base value of 1000.

b. Methodology

The methodology is in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds announced by SEBI vide circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 on May 23, 2022

The index contains 2 components as on the base date of index

1) SDL component: Constituting 60% of the index.
2) AAA PSU Bond component: Constituting 40% of the index.

1) Methodology for SDL component – Constituting 60% of the Index

Eligibility norms

- SDL should not be a special security

Issuer Selection

- 7 states/UTs are selected based on the highest outstanding amount as on August 30, 2022 maturing during the twelve-month period ended July 31, 2028

Security Selection

- As on August 30, 2022, for every selected state/UT, SDL with longest maturity maturing during the twelve-month period ending July 31, 2028 is selected to be part of the index. These selected 7 securities will continue to remain in the index till they mature
- Only one SDL per state/UT to be part of the index

Weight Assignment

- Each state that is part of the SDL component (constituting 60% of index) is given equal weight as of the base date of the index
- Subsequently, the security level weights may drift due to price movement and accordingly, the total 60% weight of the SDL component may also drift
- Any coupon amount received is assumed to be reinvested in the portfolio on the same date, in the proportion of the existing weights

2) Methodology for AAA PSU Bond component – Constituting 40% of the Index

Eligibility Norms

Issuer eligibility

- Issuing entity should be domiciled in India and should satisfy either of the following:
- PSUs including:

1. Central Public Sector Enterprises (CPSEs) as listed on DPE & DIPAM website
2. Maharatna, Navratna and Miniratna as listed on DPE website, if not included in CPSEs list as mentioned in point 1
3. Public Financial Institutions (PFIs) owned and managed by GOI and not included in points 1 and 2 above
4. Statutory body set-up by Act of Parliament and included in the list of public enterprises sourced from https://www.indiabudget.gov.in/ having outstanding bonds of more than Rs. 100 crores

Bond eligibility

- Bond should be
  1. Plain vanilla with fixed coupon and fixed maturity
  2. Denominated in INR
  3. Be listed and traded on NSE and/or BSE and should be rated

- Bond should not be
  1. Tax Free
  2. Floating Rate Bond
  3. Partially Paid up
  4. Perpetual
  5. Having Single Option (Call/Put)
  6. Having step up/step down coupon which is linked to any contingent event
  7. Convertible bonds
  8. Having staggered redemption

Selection Criteria

Issuer Selection

- Eligible issuers having credit rating of "AAA" (Triple A) and having eligible bonds maturing during the twelve-month period ending July 31, 2028 at the time of index creation/review are shortlisted. In case an entity is rated by multiple rating agencies, the lowest rating assigned to the Non-Convertible Debenture/Long Term Debt of the entity is considered for the index selection purpose.
- Further, 6 issuers are selected based on the highest total outstanding amount as on August 30, 2022 maturing during the twelve-month period ending July 31, 2028
- **Bond Selection**
- As on August 30, 2022, for every selected issuer, eligible bond with longest maturity maturing during the twelve-month period ending July 31, 2028 is selected to be part of the index
- **Weight Assignment**
- Each issuer that is part of the AAA PSU Bond component (constituting 40% of index) is given equal weight as of the base date of the index
- Single issuer/group/sector weight is to be capped in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds announced by SEBI vide circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 on May 23, 2022. Subsequently, the security level weights may drift due to price movement and accordingly, the total 40% weight of the AAA PSU Bond component may also drift and will not get reset

- Any coupon amount received is assumed to be reinvested in the portfolio on the same date, in the proportion of the existing weights

Index Rebalancing/Reconstitution

- On a semi-annual basis, index will be screened for compliance with the norms under section headed "Norms for Debt Exchange Traded Funds (ETFs)/Index Funds" announced by SEBI vide circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 on May 19, 2023. In case of non-compliance, suitable corrective measures will be taken to ensure compliance with the norms.
- During the calendar half-year review, the total weights to the SDL and AAA PSU Bond components will be reset to the original 60:40 and the underlying security level weights within each component will be also reset to equal weight
- Based on the governments 'in principle approval' to disinvest its stake in some of the PSUs, such entities are not included to be part of the index at launch/inception of the index. On account of disinvestment in an existing constituent, such issuer shall be excluded from the index effective next rebalancing/reconstitution only if the disinvestment process has been completed
- In case a new eligible issuer gets downgraded before the portfolio disclosure date (T-3), such issuer shall not be included in the index
- Apart from scheduled review, in case an existing issuer gets downgraded below AAA, bonds of such issuer to be excluded from the index within 5 working days of such downgrade, in compliance with the norms under section headed "Norms for Debt Exchange Traded Funds (ETFs)/Index Funds" announced by SEBI vide circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 on May 19, 2023
- Due to the above stated reasons, if the index is rebalanced and issuer/s move out of the index,
- If the total number of AAA PSU issuers in the index is 4 and above, then the total weight of the AAA PSU securities being excluded will be redistributed among the remaining AAA PSU securities proportionally. This will be subject to issuer limit in compliance with the norms under section headed "Norms for Debt Exchange Traded Funds (ETFs)/Index Funds" announced by SEBI vide circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 on May 19, 2023
- If the total number of AAA PSU issuers in the index fall below 4, then new AAA PSU issuers will be included in the index based on the issuer selection and bond selection criteria mentioned in the AAA PSU Bond component index methodology section above, to take the AAA PSU issuer count to minimum 4 and the total existing weightage of AAA PSU Bond component will be divided equally amongst all the AAA PSU issuers in the index
- Except for the above stated reasons, there will be no inclusion and exclusion in the index during the quarterly review
- As the index includes securities that shall mature during the twelve-month period ending on the final maturity date of the index, any proceeds from the security redemption prior to the final maturity date of the index shall be re-invested using the following waterfall approach:
- The proceeds from security redemption will be reinvested in the longest maturity outstanding security issued by the same issuer (SDL in case of state/UT and Bond/money market instrument in case of corporate bond) and maturing on or just before the index maturity date with the same weightage. This will be subject to single issuer limit in compliance with the norms under section headed "Norms for Debt Exchange Traded Funds (ETFs)/Index Funds" announced by SEBI vide circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 on May 19, 2023.
- In case a replacement in the form of outstanding security of the same issuer cannot be found for reinvestment then the proceeds from such redemption shall be reinvested in the remaining portfolio on the same date in the proportion of the existing weights. This will be subject to single issuer limit in compliance with the norms under section headed "Norms for Debt Exchange Traded Funds (ETFs)/Index Funds" announced by SEBI vide circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 on May 19, 2023.
- n case due to any reason, it is not possible to meet any norms as prescribed by SEBI vide circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, then the proceeds from

such redemption shall be reinvested in a T-Bill maturing on or just before the index maturity date.

- If the last outstanding security (including T-Bill) in the index matures before the final index maturity date, all redemption proceeds shall be re-invested in The Clearing Corporation of India Ltd.'s (CCIL) TREPS overnight rate tracked by Nifty 1D Rate Index for any subsequent days till the maturity of the index

Index Termination

The index shall mature on July 31, 2028. If the index matures on a holiday, the index value will be computed till the prior working day.

c. Index Constituents and weightages (as on September 29, 2023):

The below tentative portfolio consisting of 7 SDLs issued by states/UTs and 6 bonds issued by AAA rated PSUs are selected based on their highest outstanding amount is prepared using the data cut-off date of September 29, 2023:

Sr. No	ISIN	Issuer Name	Issuer	Asset Type	Weight
1	IN3420180033	08.45 WB SDL 2028	WEST BENGAL	SDL	8.52%
2	INE134E08JP5	POWER FINANCE CORPORATION LIMITED 7.85% 03Apr28	POWER FINANCE CORPORATION LIMITED	Corporate Bond	6.62%
3	IN2920180147	08.44 RJ SDL 2028JUL	RAJASTHAN	SDL	8.51%
4	IN3120180051	08.32 TN SDL 2028	TAMIL NADU	SDL	8.49%
5	INE261F08AJ5	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT 8.65% 08Jun28	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	Corporate Bond	6.88%
6	INE861G08027	FOOD CORPORATION OF INDIA 8.80% 22Mar28	FOOD CORPORATION OF INDIA	Corporate Bond	6.31%
7	IN3320180034	08.45 UP SDL 2028	UTTAR PRADESH	SDL	8.86%
8	INE206D08378	NUCLEAR POWER CORPORATION OF INDIA LIMITED 8.13% 28Mar28	NUCLEAR POWER CORPORATION OF INDIA LIMITED	Corporate Bond	6.60%
9	INE020B08AZ0	REC LIMITED 8.06% 27Mar28	REC LIMITED	Corporate Bond	6.63%
10	INE752E07LC0	POWER GRID CORPORATION OF INDIA LIMITED 8.70% 15Jul28	POWER GRID CORPORATION OF INDIA LIMITED	Corporate Bond	6.90%
11	IN1520180044	08.16 GJ SDL 2028	GUJARAT	SDL	8.49%
12	IN1920200095	06.09 KA SDL 2028	KARNATAKA	SDL	8.58%
13	IN2220200116	06.24 MH SDL 2028	MAHARASHTRA	SDL	8.59%

E. 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**: The Asset Management Company shall, on production of instrument of transfer together with relevant documents, register the transfer within 30 days from the date of such production. The Units of the Scheme will be fully and freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 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-PoD1/P/CIR/2023/74 dated May 19, 2023. Also, when a person becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production/submission of such satisfactory evidence, which in its opinion is sufficient, effect the transfer, if the intended transferee is otherwise eligible to hold the units.
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 Policy (IDCW)	**IDCW Frequency** IDCW is declared subject to availability and adequacy of distributable surplus. **IDCW Record Dates:** At the discretion of the Trustees (If the record date is not a Business Day, the immediately following Business Day will be the record date) Under the Income Distribution Cum Withdrawal (IDCW)option, the Trustee may at any time decide to distribute 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.. In case of dynamic lien, the Income Distribution cum capital withdrawal (IDCW) may be credited to the financier The Income Distribution cum capital withdrawal (IDCW) Option will be available under two sub-options – the Payout Option and the Reinvestment Option. Payout of Income Distribution cum capital withdrawal option (IDCW)*:* Unitholders will have the option to receive payout of their IDCW by way of Payorder / DD any other means which can be enchased or by way of direct credit / electronic payout into their account. Reinvestment of Income Distribution cum capital withdrawal option (IDCW)*:* Under the reinvestment option, The amounts will be reinvested in the Reinvestment 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.
Allotment (Detailed procedure)	Pursuant to Para 14.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund shall receive the following: 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). 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. A consolidated account statement (CAS) for each calendar month on or before 15th of the succeeding month shall be sent by email (wherever investor has provided email id) or physical account statement where investor has not provided email id., 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). Minor through parent / legal guardian; There shall not be any joint holding with minor investments. 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. 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. Foreign Portfolio Investors (FPIs) or sub-accounts of FPI’s 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. Foreign Portfolio Investor 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. 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 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 Trustee/AMC 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 (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 circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 it 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. Link for the list of official points of acceptance, collecting banker details etc. https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Computer Age Management Services Ltd. (CAMS) (Registrar) AVA Tower, Old No. 788 & 789, Electricity Avenue, New No. 152 & 150, Anna Salai, Beside Rayala Towers, Chennai - 600002. Contact details - 044 6110 4034 Email Id – enq_k@camsonline.com Website - www.camsonline.com 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-PoD1/P/CIR/2023/74 dated May 19, 2023. Further, for the procedure of release of lien, the investors shall contact their respective DP.

Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	**Applicable NAV for Purchases/Switch-ins** 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; 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; 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: It is clarified that switches will be considered as redemption in the switch-out scheme and purchase / subscription in the switch-in scheme 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. 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. **Applicable NAV for Redemption/ Switch outs** where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and an application received after 3.00 pm – closing NAV of the next business day. Further, where the AMC or the Registrar has provided a facility to the investors to redeem /switch-out of the Scheme through the medium of Internet by logging onto specific web-sites or any other facilities offered by the AMC and where investors have signed up for using these facilities, the Applicable NAVs will be as provided above. **Technical issues when transactions are processed through online facilities/ electronic modes.** The time of transaction done through various online facilities / electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / SIP/ sale / switch of units is received in the servers of AMC/RTA. In

<table>
<tr><td></td><td>case of transactions through online facilities / electronic modes, there may be a time lag of few seconds or upto 1-7 banking days between the amount of subscription being debited to investor's bank account and the subsequent credit into the respective Scheme's bank account. This lag may impact the applicability of NAV for transactions where NAV is to be applied, based on actual realization of funds by the Scheme. Under no circumstances will Kotak Mahindra Asset Management Company Limited or its bankers or its service providers be liable for any lag / delay in realization of funds and consequent pricing of units. The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme. Representation of SIP transaction which have failed due to technical reasons will also follow same rule.</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 (Subject to minimum of 10 SIP instalments).</td></tr>
</table>
Minimum amount for redemption:
The minimum redemption amount for all plans will be Rs. 100/- or account balance, whichever is lower.</td></tr>
<tr><td>Accounts Statements</td><td>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 mail or email on or 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 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable

For further details, refer SAI.</td></tr>
<tr><td>Dividend/ IDCW</td><td>The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.</td></tr>
</table>

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 for Mutual Funds dated May 19, 2023. For schemes investing atleast 80% of total assets in permissible overseas investments (as per Clause 12.19 of SEBI Master Circular for Mutual Funds dated May 19, 2023), 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 an old and new bank account. 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 for Mutual Funds dated May 19, 2023 by 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-PoD1/P/CIR/2023/74 dated May 19, 2023, 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. 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 per para 17.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023. 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.
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/2023/74 dated May 19, 2023 read with SEBI Circular dated May 12, 2023, the following Process for Investments in the name of a Minor through a Guardian will be applicable: 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. All 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. 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. 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.
Any other disclosure in terms of Consolidated Checklist on Standard Observations	

III. OTHER DETAILS

A. Periodic Disclosures

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.com and 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. The link for the mentioned disclosures - https://www.kotakmf.com/Information/statutory-disclosure/information In accordance with Para 5.1 and 5.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023,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. The link for the mentioned disclosures - https://www.kotakmf.com/Information/statutory-disclosure/financials 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-PoD1/P/CIR/2023/74 dated May 19, 2023 and SEBI Mutual Fund (Second Amendment) Regulation 2018, the scheme wise annual report or abridged summary thereof will be hosted on the website in machine readable format of Kotak Mahindra Mutual Fund viz. www.kotakmf.com and 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.com and 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. The link for the mentioned disclosures - https://www.kotakmf.com/Information/statutory-disclosure/financials
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. www.kotakmf.com, AMFI i.e. www.amfiindia.com and Registered Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.
Risk-o-meter	In accordance with Para 17.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023. The Risk-o-meter shall have following six levels of risk: i. Low Risk ii. Low to Moderate Risk iii. Moderate Risk iv. Moderately High Risk v. High Risk and vi. Very High Risk 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 disclosures 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.

B. Transparency

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.com and AMFI's website www.amfiindia.com by 11.00 p.m.

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.

Delay in uploading of NAV beyond 11.00 p.m. of the following business day 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.

In terms of SEBI regulations, a complete statement of the Scheme portfolio will be sent to all unitholders, 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 (kotakmf.com) and on the website of AMFI (www.amfiindia.com) on a monthly and half-yearly basis 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.

TDS and Taxability applicable in case of Dividend distributed to Unit holders

	TDS Rates			Taxability
	Threshold limit	**Section**	**Base Rate**	**Base rate**
RESIDENT				

Resident Unit Holder	Rs.5,000	194K	10%	Slab rates plus applicable surcharge and cess (Refer Note 1)
NON-RESIDENT UNIT HOLDERS (subject to DTAA benefits)				
(1)FII/FPI	NILs	196D r.w.s 115AD(1)(i)	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	196A	20% plus applicable surcharge and cess (Refer note 1)	40% plus applicable surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NIL	196A r.w.s 115A	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	196A	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	196A r.w.s 115A	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)

Taxability applicable in case of Capital Gains to Unit holders

Applicable tax rates based on prevailing tax laws for units acquired before 01.04.2023				
	Unit Holders			
Taxation	**Resident**	**Non – Resident**		
		FPI	**Other than FPI**	
			Listed	**Unlisted**
Short Term Capital Gain	As per the rates applicable to the assessee under the Indian Income-tax laws plus applicable surcharge & HE cess (Refer note 1)	30% plus applicable surcharge & HE cess (Refer note 1)	As per applicable slab rate plus surcharge &cess (Refer note 1)	As per applicable slab rate plus surcharge &cess (Refer note 1)

Long Term Capital Gain (Refer note 2 below)	20% with indexation plus applicable surcharge & HE cess (Refer note 1)	10% (without indexation & without foreign currency fluctuation benefit) plus applicable surcharge & HE cess (Refer note 1)	20% with indexation plus applicable surcharge & HE cess (Refer note 1)	10% (without indexation & without foreign currency fluctuation benefit) plus applicable surcharge & HE cess (Refer note 1)

A) Applicable tax rates based on prevailing tax laws for units acquired on or after 01.04.2023

The units of Specified Mutual Funds acquired on or after 01.04.2023 shall, irrespective of its period of holdings, be deemed to be short-term capital gain u/s 50AA of Income Tax Act in the hands of unit holder. Therefore, the gains arising transfer of such units will be taxable income at the applicable slab rate plus applicable surcharge and cess in the hands of unit holder.

"**Specified Mutual Funds**" means a mutual fund where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.

Note (1) : The above rates would be increase by surcharge of:

- **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

- **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.

- **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
- **In case of resident and non-resident non-corporate unit holders being individual, HUF, AOP, BOI and artificial juridical person and FII/FPI in form of individual, HUF, AOP, BOI, artificial juridical person (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%

In case of resident and non-resident non-corporate unit holders being individual, HUF, AOP, BOI, artificial juridical person and FII/FPI in form of individual, HUF, AOP, BOI, artificial juridical person (opting tax regime u/s 115BAC of the Act);

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 50 Lakh		Nil	Nil
More than 50 Lakh 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%

Further, an additional cess of 4% (Health & education Cess on income-tax) would be charged on the amount of tax inclusive of surcharge as applicable, for all unit holders.

Further, the rates stated above for Non-residents are further subject to DTAA benefits, if applicable.

Note 2) : Long-term capital gains in case of non-residents (other than FPI) would be taxable @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to first and second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit. In case of listed securities being units of Mutual Fund, the tax payable would be @ 20% after indexation benefit.

Note 3) Long term capital gains in the case of FPIs would be taxable @10% on transfer of capital assets being securities (listed or unlisted) without giving effect to the first and second proviso to section 48 i.e. without taking the benefit of foreign currency fluctuation and without indexation.
Further surcharge rate on FPI is restricted to 15% even if total income of FPI exceeds Rs. 2,00,00,000

Note 4) Under section 10(23D) of the Income tax Act, 1961, income earned by a Mutual Fund registered with SEBI is exempt from income tax.

For further details on taxation please refer to the clause on taxation in the SAI.

F. Rights of Unitholders

Please refer to SAI for details.

G .List of official points of acceptance: please refer the given link-

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/disclosuresrelatedtosidandkimd

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**

Date: June 28, 2024 **Compliance Officer**

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