



Think Investments. Think Kotak.®

## SCHEME INFORMATION DOCUMENT (SID)

### SECTION I

## KOTAK BSE HOUSING INDEX FUND

An open-ended scheme replicating/tracking BSE Housing Index

<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> <li>• Long term capital growth</li> <li>• Investment in stocks comprising the underlying index and endeavours to track the benchmark index, subject to tracking errors</li> </ul>	<p><b>Scheme Riskometer</b></p> <p>LOW HIGH</p> <p>Investors understand that their principal will be at very high risk</p>	<p><b>Benchmark Riskometer</b></p> <p>LOW HIGH</p> <p>Investors understand that their principal will be at very high risk</p> <p>BSE Housing Index</p>
	<p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them</p>	

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

### Continuous Offer for Units at NAV based prices

**Scheme Re-opens on: September 04, 2023**

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

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and 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](http://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.

## **BSE Housing Index**

“The BSE Housing Index (the "Index") is published by Asia Index Private Limited ("AIPL"), which is a wholly owned subsidiary of BSE Limited ("BSE"), and has been licensed for use by Kotak Mahindra Asset Management Company Limited ("Licensee"). BSE® and SENSEX® are registered trademarks of BSE. The trademarks have been licensed to AIPL and have been sub licensed for use for certain purposes by Licensee. Licensee's Kotak BSE Housing Index Fund (the "Product") is / are not sponsored, endorsed, sold or promoted by AIPL or BSE. None of AIPL or BSE makes any representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the Index to track general market performance. AIPL's and BSE's only relationship to Licensee with respect to the Index is the licensing of the Index and certain trademarks, service marks and / or trade names of AIPL, BSE and / or their licensors. The BSE Housing Index is determined, composed and calculated by AIPL or its agent without regard to Licensee or the Product. None of AIPL or BSE are responsible for and have not participated in the determination of the prices, and amount of the Product or the timing of the issuance or sale of the Product or in the determination or calculation of the equation by which the Product is to be converted into cash, surrendered or redeemed, as the case may be. AIPL and BSE have no obligation or liability in connection with the administration, marketing or trading of the Product. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. AIPL and BSE are not investment advisors. Inclusion of a security within an index is not a recommendation by AIPL or BSE to buy, sell, or hold such security, nor is it considered to be investment advice.

Aipl, Bse And Their Third Party Licensors Do Not Guarantee The Adequacy, Accuracy, Timeliness And/Or The Completeness Of The Index Or Any Data. Related Thereto. Aipl, Bse And Their Third Party Licensors Shall Not Be Subject To Any Damages Or Liability For Any Errors, Omissions, Or Delays Therein. Aipl, Bse And Their Third Party Licensors Make No Express Or Implied Warranties, And Expressly Disclaim All Warranties, Of Merchantability Or Fitness For A Particular Purpose Or Use Or As To Results To Be Obtained By Licensee, Owners Of The Product Or Any Other Person Or Entity From The Use Of The Index Or With Respect To Any Data Related Thereto. Without Limiting Any Of The Foregoing, In No Event Whatsoever Shall Aipl, Bse Or Their Third Party Licensors Be Liable For Any Indirect, Special, Incidental, Punitive, Or Consequential Damages Including But Not Limited To, Loss Of Profits, Trading Losses, Lost Time Or Goodwill, Even If They Have Been Advised Of The Possibility Of Such Damages, Whether In Contract, Tort, Strict Liability Or Otherwise. There Are No Third Party Beneficiaries Of Any Agreements Or Arrangements Between Aipl And Licensee, Other Than The Licensors Of Aipl (Including Bse).

## TABLE OF CONTENTS

Section I.....	0
<b>PART I. HIGHLIGHTS/SUMMARY OF THE SCHEME</b> .....	4
<b>DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY</b> .....	8
<b>PART II. INFORMATION ABOUT THE SCHEME</b> .....	9
<b>A. How Will The Scheme Allocate Its Assets?</b> .....	9
<b>B. Where Will The Scheme Invest?</b> .....	11
<b>C. What Are The Investment Strategies?</b> .....	12
<b>D. How Will The Scheme Benchmark Its Performance?</b> .....	13
<b>E. Who Manages The Scheme?</b> .....	13
<b>F. How Is The Scheme Different From Existing Schemes</b> .....	16
<b>G. How Has The Scheme Performed?</b> .....	17
<b>H. Additional Scheme Related Disclosures</b> .....	17
<b>Part III- OTHER DETAILS</b> .....	18
<b>A. COMPUTATION OF NAV</b> .....	18
<b>B. NEW FUND OFFER (NFO) EXPENSES</b> .....	19
<b>C. ANNUAL SCHEME RECURRING EXPENSES</b> .....	19
<b>D. Load Structure</b> .....	22
<b>SECTION II</b> .....	23
<b>A. Definitions/Interpretation</b> .....	23
<b>B. Risk Factors</b> .....	23
<b>C. Risk Mitigation Strategies</b> .....	29
<b>II. INFORMATION ABOUT THE SCHEME:</b> .....	31
<b>A. Where Will The Scheme Invest</b> .....	31
<b>B. What Are The Investment Restrictions?</b> .....	33
<b>C. Fundamental Attributes</b> .....	38
<b>D. Index Methodology:</b> .....	39
<b>E. Other Scheme Specific Disclosures:</b> .....	41
<b>III. OTHER DETAILS</b> .....	52
<b>A. Periodic Disclosures</b> .....	52
<b>B. Transparency/NAV Disclosure</b> .....	54
<b>C. Transaction Charges And Stamp Duty-</b> .....	54
<b>D. Associate Transactions</b> .....	55
<b>E. Taxation</b> .....	55
<b>F. Rights of Unitholders</b> .....	58
<b>G. List Of Official Points Of Acceptance</b> .....	58
<b>H. Penalties, Pending Litigation or Proceedings, Findings</b> .....	58

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

<b>Sr. No.</b>	<b>Title</b>	<b>Description</b>
<b>I.</b>	<b>Name of the scheme</b>	Kotak BSE Housing Index Fund
<b>II.</b>	<b>Category of the Scheme</b>	Other Schemes –Index Fund
<b>III.</b>	<b>Scheme type</b>	An open-ended scheme replicating/tracking BSE Housing Index.
<b>IV.</b>	<b>Scheme code</b>	KOTM/O/O/EIN/23/02/0110
<b>V.</b>	<b>Investment objective</b>	<p>The investment objective of the scheme is to replicate the composition of the BSE Housing Index and to generate returns that are commensurate with the performance of the BSE Housing Index, subject to tracking errors.</p> <p><b>There is no assurance or guarantee that the investment objective of the scheme would be achieved.</b></p>
<b>VI.</b>	<b>Liquidity/listing details</b>	<p>The Scheme offers Units for Subscription and Redemption at NAV based prices on each Business Days on an ongoing basis.</p> <p>Since the Scheme is open-ended, it is not necessary to list the units of the Scheme on any exchange.</p>
<b>VII.</b>	<b>Benchmark (Total Return Index)</b>	<p>BSE Housing Index (Total Return Index)</p> <p>As the Scheme is an Index Scheme and would invest in securities constituting BSE Housing Index (TRI), the said index is most suited for comparing the performance of the scheme.</p>
<b>VIII.</b>	<b>NAV disclosure</b>	<p>The NAVs of the Scheme will be calculated and disclosed on every Business Day on the website of the Kotak Mahindra Mutual Fund viz <a href="http://www.kotakmf.com">www.kotakmf.com</a> and AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 11.00 p.m.</p> <p>For further details, refer Section II.</p>
<b>IX.</b>	<b>Applicable timelines</b>	<p><b>Dispatch of redemption proceeds</b></p> <p>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.</p> <p>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.</p> <p><b>Dispatch of IDCW</b></p> <p>The Income Distribution cum capital withdrawal (IDCW) payments shall be dispatched to the unitholders within seven working days from the record date.</p>

X.	<b>Plans and Options Plans/Options and sub options under the Scheme</b>	<p><b>Plan- Direct Plan/Regular Plan</b></p> <p>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.</p> <p>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.</p> <p><b>Options under each Plan(s)</b></p> <ul style="list-style-type: none"> <li>• Growth</li> <li>• Income Distribution cum Capital Withdrawal (IDCW)</li> <li>• Payout of Income Distribution cum Capital Withdrawal Option</li> <li>• Reinvestment of Income Distribution cum Capital Withdrawal Option</li> </ul> <p><b>Default Option /Sub-Options</b></p> <p>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.</p> <p>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).</p> <p>For detailed disclosure on default plans and options, kindly refer SAI.</p>
XI.	<b>Load Structure</b>	<p><b>Exit Load: NIL</b></p> <p>The AMC reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations.</p>
XII.	<b>Minimum Application Amount/switch in</b>	<p>Initial Purchase/Switch in – Rs. 100/- and any amount thereafter</p> <p>SIP Purchase- Rs. 100/- and any amount thereafter</p>
XIII.	<b>Minimum Additional Purchase Amount</b>	Rs. 100/- and any amount thereafter.
XIV.	<b>Minimum Redemption/switch out amount</b>	The minimum redemption amount for all plans will be Rs. 1000/- or 100 units or account balance, whichever is lower.

<b>XV.</b>	<b>New Fund Offer Period</b> This is the period during which a new scheme sells its units to the investors.	Not Applicable
<b>XVI.</b>	<b>New Fund Offer Price:</b> This is the price per unit that the investors have to pay to invest during the NFO.	Not Applicable
<b>XVII.</b>	<b>Segregated portfolio/side pocketing disclosure</b>	Segregation of portfolio has been enabled in the scheme. For Details, kindly refer SAI
<b>XVIII</b>	<b>Swing pricing disclosure</b>	Not Applicable
<b>XIX.</b>	<b>Stock lending/short selling</b>	Stock Lending has been enabled in the scheme.  For Details, kindly refer SAI
<b>XX.</b>	<b>How to Apply</b>	<p>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.</p> <p>All cheques should be crossed "Account Payee Only" and drawn in favour the scheme name in which investment is intended to be made.</p> <p>Investors are also advised to refer to Statement of Additional Information before submitting the application form.</p> <p>For Further details refer section II.</p>
<b>XXI.</b>	<b>Investor services</b>	<ul style="list-style-type: none"> <li>• Contact details for general service requests: 18003091490 / 044-40229101 (Monday to Friday between 9.30am to 6.00 pm &amp; Saturday between 9.30am to 12.30pm) <a href="https://www.kotakmf.com/feedback/customer">https://www.kotakmf.com/feedback/customer</a></li> <li>• Contact details for complaint resolution: Ms. Sushma Mata, Investor Relations Officer Kotak Mahindra Asset Management Company Limited, 6<sup>th</sup> 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</li> </ul>

		e-mail: <a href="https://info.kotakmf.com/write-to-us">https://info.kotakmf.com/write-to-us</a> or WhatsApp us by sending us “Hi” at 9321884488. For portfolio valuation, give a missed call to 7039055555
<b>XXII</b>	<b>Special product / facility available on ongoing basis</b>	<p>The Following facilities are available under the Scheme</p> <ul style="list-style-type: none"> <li>• Systematic Investment Plan</li> <li>• SIP Top Up Facility</li> <li>• Flex - Systematic Investment Plan Facility (‘FSIP’) Facility</li> <li>• Systematic Transfer Plan</li> <li>• Daily frequency under Systematic Transfer Plan Facility</li> <li>• Flex - Systematic Transfer Plan (‘FSTP’) Facility</li> <li>• Systematic Withdrawal Plan</li> <li>• Transfer of IDCW Plan</li> <li>• Switching</li> <li>• Trigger Facility</li> <li>• Variable Transfer Plan (‘VTP’)</li> <li>• Smart Facility i.e. Smart Systematic Investment Plan (SSIP)/Smart Systematic Withdrawal Plan(“SSWP”)/Smart Systematic Transfer Plan(“SSTP”)</li> <li>• Freedom SIP Facility</li> </ul> <p>For further details of above special products / facilities, kindly refer SAI</p>
<b>XXIII.</b>	<b>Weblink</b>	<p>Link for Total Expense Ratio (TER) last 6 months, Daily TER as well as - <a href="https://www.kotakmf.com/Information/TER">https://www.kotakmf.com/Information/TER</a></p> <p>Link for scheme factsheet - <a href="https://www.kotakmf.com/Information/statutory-disclosure/information">https://www.kotakmf.com/Information/statutory-disclosure/information</a></p>

## **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 BSE Housing Index Fund approved by them is a new product offered by Kotak Mahindra Mutual Fund and is not a minor modification of any existing scheme/fund/product.

**Date: November 29, 2024**  
**Place: Mumbai**

**Name: Jolly Bhatt**  
**Designation: Compliance Officer**



## PART II. INFORMATION ABOUT THE SCHEME

### A. How Will The Scheme Allocate Its Assets?

Instruments	Indicative Allocation (% of total assets)	
	Minimum	Maximum
Equity and Equity related securities covered by the BSE Housing Index*	95	100
Debt and Money Market Securities#	0	5

\*Pursuant to para 7.5, 7.6, 12.25 of SEBI Master circular no SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 and as may be amended from time to time, The Scheme may take an exposure to equity derivatives of constituents or index derivatives of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted subject to rebalancing within 7 calendar days (or as specified by SEBI from time to time). The derivative exposure of scheme for non-hedging purposes shall be up to 20% of the net assets of the scheme.

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

#In accordance with clause 4 of Seventh Schedule of SEBI (Mutual Funds) Regulations 1996, The scheme may invest upto 5% of net assets in Liquid & Overnight Mutual Fund schemes 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.

As per para 12.24 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), 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 12.25.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 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.

Pursuant to para 12.11 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, as amended from time to time, the Trustee may permit the Scheme to engage in securities lending and borrowing. At present, since only lending is permitted, the scheme 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 Scheme will 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 3.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, in order to address the risk related to portfolio concentration in the Scheme, the underlying index for this scheme shall comply with the following:

- a) The index shall have a minimum of 10 stocks as its constituents.
- b) For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index. The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- c) The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

Accordingly, the underlying Index shall ensure that such index complies with the aforesaid norms.

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

- ADR/GDR/overseas securities/ foreign securities.
- Credit Default Swaps.
- Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs).
- 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/2024/90 dated June 27, 2024.
- Securitized debt
- Investment in commodity derivatives, debt derivative instruments
- Structured obligations and credit enhancements.
- Repo/ reverse repo transactions in corporate debt securities.

For residual portion of 5% in asset allocation, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the scheme follows certain internal norms vis-à-vis limiting exposure to a particular 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 (Maximum)	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/2024/90 dated June 27, 2024
2.	Equity Derivatives for non-hedging purposes	20% of the net assets of the scheme	Para 12.25 of Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024
3	Units of Mutual Fund (Liquid & Overnight Mutual Fund schemes)	5% of the net Assets of the scheme	Clause 4 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996
4	Securitized Debt	The Scheme shall not invest in Securitized Debt	N.A
5	Overseas Securities	The Scheme shall not invest in Overseas Securities	N.A

6	ReITS and InVITS	The Scheme shall not invest in ReITS and InVITS	N.A
7	Repo transactions in corporate debt securities	The Scheme shall not invest in Securitized Debt	N.A
8	Credit Default Swaps	The Scheme shall not invest in Credit default swaps	N.A
9	Structured Obligations and credit enhancements	The Scheme shall not invest in Structured Obligations and credit enhancements	N.A
10	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/2024/90 dated June 27, 2024.	The Scheme shall not invest in Debt instruments.	N.A
11	Commodity Derivatives and Debt Derivatives	The Scheme shall not invest in Structured Obligations and credit enhancements	N.A

#### **Portfolio rebalancing:**

As per Para 3.6.7 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 and circulars issued thereunder, in case of change in constituents of the index due to periodic review, the portfolio of the scheme will be rebalanced within 7 calendar days.

#### **Short Term Defensive Consideration**

Subject to Para 1.14.1.2 of SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 and circulars issued thereunder, 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 and further action may be taken as specified under SEBI Circulars/ AMFI guidelines issued from time to time

#### **B. Where Will The Scheme Invest?**

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.

- a. The net assets of the Scheme will be invested in stocks constituting the BSE Housing Index and / or its exchange traded derivatives. This would be done by investing in the stocks comprising the BSE Housing Index in approximately the same weightage that they represent in the BSE Housing Index and / or investing in derivatives including futures contracts and options contracts on the Index

- b. The Scheme may take derivatives or index derivatives position subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme.
- c. Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
- d. Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- e. 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)
- f. Corporate debt (of both public and private sector undertakings) including Non-convertible debentures (including bonds) and non-convertible part of convertible securities having residual maturity of upto 91 days.
- g. Units of Mutual Fund Schemes;
- h. Short Term Deposits of banks (both public and private sector) and development financial institutions to the extent permissible under SEBI Regulations;
- i. 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\*, as may be permitted by SEBI from time to time.
- j. Securities Lending as permitted by SEBI from time to time

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/2024/90 dated June 27, 2024.

### **C. What Are The Investment Strategies?**

To achieve the investment objective, the scheme will follow passive investment strategy with investments in stocks in the same proportion as in BSE Housing Index. The investment strategy would revolve around reducing the tracking error to the least possible through rebalancing of the portfolio, taking into account the change in weights of stocks in the index as well as the incremental collections/redemptions from the Scheme.

Index Scheme being a passive investment carries lesser risk as compared to active fund management. The portfolio follows the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking error. Thus there is no additional element of volatility or stock concentration on account of fund manager decisions.

A small portion of the net assets will be held as cash or will be invested in debt and money market instruments (as mentioned under asset allocation section) permitted by SEBI/RBI including TREPS or in alternative investment for the TREPS as may be provided by the RBI, to meet the liquidity requirements under the Scheme.

The Scheme may take an exposure to equity derivatives of constituents or index derivatives of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted by SEBI from time to time.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund

manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

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

The 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.

#### **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 a passively managed open-ended index scheme, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities included in the Index. The Scheme has no specific target relating to portfolio turnover.

#### **D. How Will The Scheme Benchmark Its Performance?**

The performance of the Scheme is measured against BSE Housing Index (Total Return Index)

As the Scheme is an Index Scheme and would invest in securities constituting BSE Housing Index (Total Return Index), the said index is most suited for comparing the performance of the scheme.

#### **E. Who Manages The Scheme?**

Mr. Devender Singhal, Mr. Satish Dondapati and Mr. Abhishek Bisen will be the Fund Manager for the Scheme.

<b>Name</b>	<b>Age</b>	<b>Qualification</b>	<b>Business Experience</b>	<b>Schemes Managed</b>
Mr. Devender Singhal	46 years	PGDM (Finance, Insurance) Mathematics (Hon) Delhi University	Mr. Devender Singhal is managing the equity funds for Kotak AMC since Aug 2015. He is managing assets across multicap and hybrid strategies. He has more than 23 years of experience in fund management and equity research of which last 17 years has been with Kotak. Prior to joining Kotak AMC, He has been part of various PMS like Kotak, Religare, Karvy and P N Vijay Financial Services.	<ul style="list-style-type: none"> <li>• Kotak Nifty 50 Value 20 ETF</li> <li>• Kotak Nifty Bank ETF</li> <li>• Kotak Multi Asset Allocator Fund of Fund – Dynamic</li> <li>• Kotak Nifty PSU Bank ETF</li> <li>• Kotak Nifty 50 ETF</li> <li>• Kotak Nifty IT ETF</li> <li>• Kotak NIFTY 50 Index Fund</li> <li>• Kotak NIFTY Next 50 Index</li> <li>• Kotak Equity Savings Fund</li> <li>• Kotak Multicap Fund</li> <li>• Kotak NIFTY Alpha 50 ETF</li> <li>• Kotak Nifty Midcap 50 ETF</li> <li>• Kotak Nifty 100 Low Volatility 30 ETF</li> <li>• Kotak Nifty India Consumption ETF</li> <li>• Kotak Nifty MNC ETF</li> <li>• Kotak BSE Sensex ETF</li> </ul>

				<ul style="list-style-type: none"> <li>• Kotak Nifty 200 Momentum 30 Index Fund</li> <li>• Kotak Nifty Financial Services Ex-Bank Index Fund</li> <li>• Kotak BSE Housing Index Fund</li> <li>• Kotak Multi Asset Allocation Fund</li> <li>• Kotak Consumption Fund</li> <li>• Kotak Nifty Smallcap 50 Index Fund</li> <li>• Kotak Nifty 100 Low Volatility 30 Index Fund</li> <li>• Kotak Special Opportunities Fund</li> <li>• Kotak BSE PSU Index Fund</li> <li>• Kotak Nifty Midcap 50 Index Fund</li> <li>• Kotak Nifty India Tourism Index Fund</li> <li>• Kotak Nifty Midcap 150 Momentum 50 Index Fund.</li> </ul>
Mr. Satish Dondapati	45Years	MBA (Finance)	Mr. Satish Dondapati has over 16 years of experience in ETF's. He joined Kotak AMC in March 2008 in Product's Department. Prior to joining Kotak AMC, he was in the MF Product Team of Centurion Bank Of Punjab	<ul style="list-style-type: none"> <li>• Kotak Nifty 50 Value 20 ETF</li> <li>• Kotak Nifty Bank ETF</li> <li>• Kotak Nifty 50 ETF</li> <li>• Kotak Nifty PSU Bank ETF</li> <li>• Kotak Nifty IT ETF</li> <li>• Kotak NIFTY 50 Index Fund</li> <li>• Kotak NIFTY Next 50 Index Fund</li> <li>• Kotak NIFTY Alpha 50 ETF</li> <li>• , Kotak Nifty Midcap 50 ETF</li> <li>• Kotak Nifty 100 Low Volatility 30 ETF</li> <li>• Kotak Nifty India Consumption ETF</li> <li>• Kotak Nifty MNC ETF</li> <li>• Kotak Nifty 1D Rate Liquid ETF</li> <li>• Kotak BSE Sensex ETF</li> <li>• Kotak Nifty Smallcap 50 Index Fund</li> <li>• Kotak Nifty 200 Momentum 30 Index Fund</li> <li>• Kotak Nifty Financial Services Ex-Bank Index Fund</li> <li>• Kotak BSE Housing Index Fund</li> <li>• Kotak Nifty 100 Low Volatility 30 Index Fund</li> <li>• Kotak BSE PSU Index Fund</li> <li>• Kotak Nifty Midcap 50 Index Fund</li> <li>• Kotak Nifty India Tourism Index</li> </ul>

				<ul style="list-style-type: none"> <li>• Nifty Midcap 150 Momentum 50 Index Fund</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Kotak Equity Hybrid Fund</li> <li>• Kotak Debt Hybrid Fund</li> <li>• Kotak Bond Fund</li> <li>• Kotak Gilt Fund</li> <li>• Kotak Equity Savings Fund</li> <li>• Kotak Gold Fund</li> <li>• Kotak Multi Asset Allocator Fund of Fund – Dynamic</li> <li>• Kotak Gold ETF</li> <li>• Kotak Balanced Advantage Fund</li> <li>• Kotak NASDAQ 100 FUND OF FUND</li> <li>• Kotak Multicap Fund</li> <li>• Kotak NIFTY Alpha 50 ETF</li> <li>• Kotak NIFTY 50 Index Fund</li> <li>• Kotak Nifty Midcap 50 ETF</li> <li>• KOTAK NIFTY SDL APR 2027 TOP 12 EQUAL WEIGHT INDEX FUND</li> <li>• KOTAK NIFTY SDL APR 2032 TOP 12 EQUAL WEIGHT INDEX FUND</li> <li>• Kotak Manufacture in India Fund</li> <li>• Kotak Nifty India Consumption ETF</li> <li>• Kotak Nifty MNC ETF</li> <li>• Kotak Nifty 100 Low Volatility 30 ETF</li> <li>• Kotak Banking and PSU Debt Fund</li> <li>• Kotak Bond Short Term Fund</li> <li>• Kotak Dynamic Bond Fund</li> <li>• Kotak Business Cycle Fund</li> <li>• Kotak Income Plus Arbitrage FOF</li> <li>• Kotak Nifty SDL JUL 2026 INDEX FUND</li> <li>• Kotak Silver ETF</li> <li>• Kotak Silver ETF Fund Of Fund</li> <li>• Kotak Banking and Financial Services Fund</li> <li>• Kotak Nifty SDL JUL 2033 INDEX FUND</li> <li>• Kotak Nifty 200 Momentum 30 Index Fund</li> <li>• Kotak Nifty Financial Services Ex-Bank Index Fund</li> <li>• Kotak BSE Housing Index Fund</li> <li>• Kotak Quant Fund</li> </ul>

				<ul style="list-style-type: none"> <li>• Kotak Multi Asset Allocation Fund</li> <li>• KOTAK NIFTY SDL PLUS AAA PSU BOND JUL 2028 60:40 INDEX FUND</li> <li>• Kotak Nifty 1D Rate Liquid ETF</li> <li>• Kotak Nifty Smallcap 50 Index Fund</li> <li>• Kotak Nifty G-sec July 2033 Index Fund</li> <li>• Kotak Consumption Fund</li> <li>• Kotak Healthcare Fund</li> <li>• Kotak Technology Fund</li> <li>• Kotak Long Duration Fund</li> <li>• Kotak Nifty AAA Bond Jun 2025 HTM Index Fund</li> <li>•</li> <li>• Kotak Nifty India Tourism Index Fund</li> <li>• Kotak CRISIL-IBX AAA Financial Services Index – Sep 2027 Fund.</li> <li>• Kotak Nifty Midcap 150 Momentum 50 Index Fund</li> <li>• Kotak Nifty 100 Low Volatility 30 Index Fund</li> <li>• Kotak Special Opportunities Fund</li> <li>• Kotak BSE PSU Index Fund</li> <li>• Kotak Nifty Midcap 50 Index Fund</li> <li>• Kotak MNC Fund</li> </ul>
--	--	--	--	--

Name of the Fund Manager	Tenure of Managing the scheme
Mr. Devender Singhal	28/08/2023
Mr. Satish Dondapati	28/08/2023
Mr. Abhishek Bisen	28/08/2023

**F. How Is The Scheme Different From Existing Schemes Of The Mutual Fund?**

The list of existing schemes under Equity Index schemes are given below:

1. Kotak Nifty 50 Index Fund
2. Kotak Nifty Financial Services Ex-Bank Index Fund
3. Kotak Nifty 200 Momentum 30 Index Fund
4. Kotak Nifty Next 50 Index Fund
5. Kotak Nifty Smallcap 50 Index Fund



6. Kotak Nifty 100 Low Volatility 30 Index Fund
7. Kotak Nifty Midcap 50 Index Fund
8. Kotak Nifty Midcap 150 Momentum 50 Index Fund
9. Kotak BSE PSU Index Fund
10. Kotak Nifty India Tourism 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?

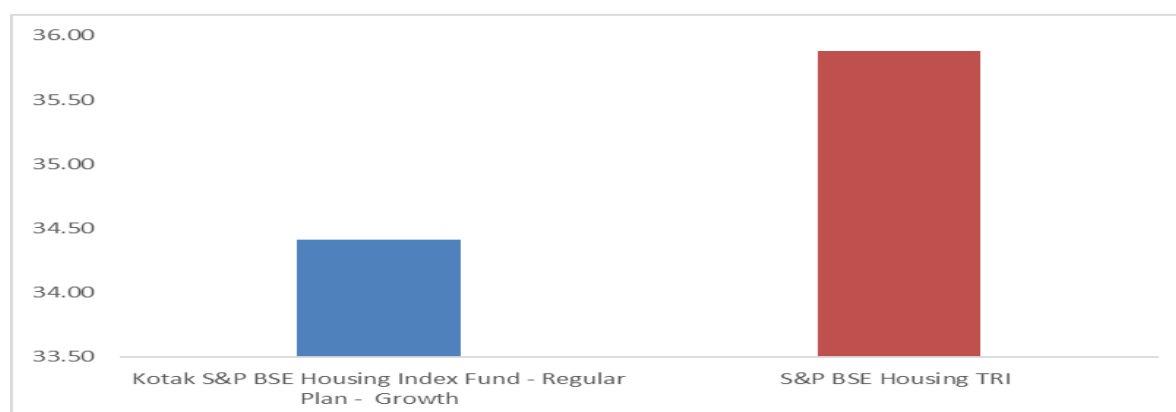
### Performance of the scheme as on September 30, 2024

Compounded Annualized Growth Returns (%)	Scheme Returns (%)	Benchmark Returns (%)#
Returns for the Last 1 Year	44.56%	46.81%
Returns for the Last 3 Years	NA	NA
Returns for the Last 5 Years	NA	NA
Returns Since Inception	44.29%	46.17%

# BSE Housing Index TRI

Scheme Inception date is 28/08/2023 Past performance may or may not be sustained in future.

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



Scheme Inception date is 28/08/2023. Past performance may or may not be sustained in future.

## H. Additional Scheme Related Disclosures

- i. **Scheme's portfolio holdings:** Top 10 holdings by issuer and fund allocation will be available in the given link -  
<https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim>
- ii. **Disclosure of name and exposure to Top 7 issuers , stocks , groups and sectors as a % of NAV of the scheme** - The detailed disclosures of name and exposure to top 7 issuers please refer our website <https://www.kotakmf.com/Information/statutory-disclosure/information>
- 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 Ratio** :69.45 (As on September 30, 2024)

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

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

vi. **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.

Pursuant to Regulation 25(16A) of the SEBI (MF) Regulations, 1996 and para 6.9.3.5 of SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, AMC shall not be required to invest minimum amount as a percentage of AUM in the Scheme.

Details of Investments of AMC in the Scheme will be available in the given link. – Not Applicable

### Part III- OTHER DETAILS

#### A. COMPUTATION OF NAV

Disclosure pertaining to illustration on computation of NAV and Methodology for calculation of sale and repurchase price of the units of mutual fund scheme.

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

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

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

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

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

### 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

Sale and

Repurchase Price calculated is explained in the following example:

$$\begin{aligned} \text{Sale / Repurchase Price} &= \text{Applicable NAV} \times (1 - \text{Exit Load}) \\ \text{Eg: If Applicable NAV} &= \text{Rs. 10/-; Exit Load} = 1.00\%, \text{ then} \\ \text{Sale / Repurchase Price} &= 10 \times (1 - 1.00\%) \\ &= \text{Rs. 9.90/-} \end{aligned}$$

The Sale/repurchase price shall not be lower than 95% of the NAV.

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. This is an ongoing scheme as on the date of updating this document.

### C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that upto 1.00 % of the daily average 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.

Expense Head	% p.a. of daily Net Assets* (Estimated p.a.)
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 (1bps)	
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 Regulations 52(6A)(c)	-
Additional expenses for gross new inflows from specified cities	Upto 0.30%

**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 Para 10.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, all fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. © the Regular Plan, and no commission shall be paid from Direct plan. Both the plans viz. Regular and Direct plan shall have common portfolio.

#### **Additional expenses which may be charged to the Scheme**

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 Funds) 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-PoD-1/P/CIR/2024/90 dated June 27, 2024, 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:

$$\frac{\text{Daily net assets} \times 30 \text{ basis points} \times \text{New inflows from individual investors from beyond top 30 cities}}{365^* \times \text{Higher of (i) or (ii) above}}$$

\* 366, wherever 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.

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/2024/90 dated June 27, 2024 However, the management fees and other expenses charged by the mutual fund(s) in foreign countries along with the management fee and recurring expenses charged to the domestic mutual fund scheme shall not exceed the total limits on expenses as prescribed under Regulation 52(6). Where the scheme is investing only a part of the net assets in the overseas mutual fund(s), the same principle shall be applicable for that part of investment.

#### **TER for the Segregated Portfolio**

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

#### **Goods and Services tax:**

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

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

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

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

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

Particulars	Regular Plan	Direct Plan
Amount Invested at the beginning of the year	10,000	10,000
Annual Returns before Expenses	1500	1500
Expenses other than Distribution Expenses	200	100
Distribution Expenses / Commission	100	-
<b>Returns after Expenses at the end of the Year</b>	<b>1200</b>	<b>1400</b>
<b>Return %</b>	<b>12%</b>	<b>14%</b>

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](http://www.kotakmf.com) or may call at 18003091490 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry Load	In terms of Para 10.4.1 of SEBI Master Circular no. SEBI/HO/IMD/IMD-1/P/CIR/2024/90 dated June 27, 2024, no entry load will be charge purchase / additional purchase / switch-in.
Exit	NIL

No exit load will be chargeable in case of switches made between different plan/options of the scheme.

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

Any imposition or enhancement of Load in future shall be applicable on prospective investments only. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres. In case of changes in load structure the addendum carrying the latest applicable load structure shall be attached to all KIM and SID already in stock till it is updated.

Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement.

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**

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

#### **B. Risk Factors**

##### **Scheme Specific Risk Factors:**

Tracking errors are inherent in any index fund and such errors may cause the schemes to generate returns which are not in line with the performance of the BSE Housing Index or one or more securities covered by / included in the BSE Housing Index and may arise from a variety of factors. Delayed realisations, cash for redemptions can result into tracking error, including transactions costs of investments etc.

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV trading price, yield, total return and/or its ability to meet its objectives.

- 1) The NAV of the units is closely related to the value of stocks that form a part of the benchmark index. The value of this will react to stock market movements and may result in changes in the NAV of units under the scheme. There could also be movements in the scheme's NAV due to changes in interest rates, macro-economic and political developments and over longer periods during market downturns;
- 2) Tracking error may have an impact on the performance of the scheme. However, KMAMC will endeavour to keep the tracking error as low as possible.
- 3) The Scheme is a passively managed scheme and provides exposure to the benchmark and tracking its performance. The Schemes performance may be affected by a general price decline in the stock markets. The Scheme invests in the stocks comprising the index regardless of their investment merit. The Mutual Fund does not attempt to take defensive positions in declining markets.
- 4) As the scheme proposes to invest not less than 95% of the net assets in securities comprising of BSE Housing Index, any deletion of stocks from or addition to in BSE Housing Index may require sudden and immediate liquidation or acquisition of such stocks at the prevailing market prices irrespective of whether valuation of stocks is attractive enough. This may not always be in the interest of unitholders.
- 5) The performance of the BSE Housing Index will have a direct bearing on the performance of the scheme. Hence, any composition change by virtue of weightage or stocks selection will have an impact on the scheme.
- 6) Capital Gains Impact: Investors who trade in Kotak BSE Housing Index Fund may be subject to Long Term Capital Gains or Short Term Capital Gains. Investors are requested to consult their tax / legal consultants before investing in the scheme.
- 7) The scheme will attract provisions of take over regulations, if KMMF invests in more than 10% of the paid up capital of a company and therefore may result into tracking errors and / or may not be able to accept further subscription in the Scheme.
- 8) The Index reflects the prices of securities at a point in time, which is the price at close of business day on the stock exchange. The Scheme, however, may at times trade these securities at different points in time during the trading session and therefore the prices at which the Scheme trade may not be identical to the closing price of each scrip on that day on the BSE / NSE. In addition, the Scheme may opt to trade the same securities on different exchanges due to price or liquidity factors, which may also result in traded prices being at variance, from BSE / NSE closing prices.

### **Risk specific to investing in securities forming part of BSE Housing Index:**

Kotak BSE Housing Index Fund is passively a managed Index Scheme i.e. the amount collected under the scheme is invested in securities of companies comprising the underlying index in the same weightages as they have in the underlying index. The composition of the underlying index is subject to changes that may be affected periodically by the Index Service Provider. Performance of the underlying index will have a direct bearing on the performance of the scheme. The extent of the Tracking error may have an impact on the performance of the scheme.

### **Risks associated with Capital Markets or Equity Markets, (i.e. Markets in which Equity Shares or Equity oriented instruments are issued and traded)**

#### **• Price fluctuations and Volatility:**

Mutual Funds, like securities investments, are subject to market and other risks and there can be neither a guarantee against loss resulting from an investment in the Scheme nor any assurance that the objective of the Scheme will be achieved. The NAV of the Units issued under the Scheme can go up or down because of various factors that affect the capital market in general, such as, but not limited to, changes in interest rates, government policy and volatility in the capital markets. Pressure on the exchange rate of the Rupee may also affect security prices.

#### **• Concentration / Sector Risk:**

When a Mutual Fund Scheme, by mandate, restricts its investments only to a particular sector; there arises a risk called concentration risk. If the sector, for any reason, fails to perform, the portfolio value will plummet and the Investment Manager will not be able to diversify the investment in any other sector. Investments under this scheme will be predominantly in equity or equity related stocks spanning across the selected theme. Hence the concentration risks could be high.

#### **• Liquidity Risks:**

Liquidity in Equity investments may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities. These factors can also affect the time taken by KMMF for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. 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.

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

#### **a) Credit Risk:**

Investments in Fixed Income Securities are subject to the risk - of an issuer's inability to meet interest and principal payments on its obligations and creditworthiness of the issuer.

#### **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 Investment in Derivatives Market**

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be

profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies

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

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

In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

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

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

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

**e)** The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

### **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 Tracking errors:**

Tracking error 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. The tracking error i.e. the annualized standard deviation of the difference in daily returns between the underlying index or goods and the NAV of the Scheme based on past one year rolling data shall not exceed 2%. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs, the tracking error may exceed 2% 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 error within 2% limits. 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.

Tracking error/ difference could be the result of a variety of factors including but not limited to:

- Delay in the purchase or sale of stocks within the benchmark due to
  - Illiquidity in the stocks, circuit filters on the stocks
  - Delay in realisation of sale proceeds
- The scheme may buy or sell the stocks comprising the index at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices.
- Index providers may either exclude or include new scrips in their periodic review of the stocks that constitute the underlying index. In such situations the scheme will endeavour to rebalance the portfolio in line with the index. But may not be able to mirror the index immediately due to 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
- Levy of margins by exchanges

SEBI / other Regulatory restrictions on investments and/ or divestments by the scheme / Mutual Fund, which are outside the control of AMC, which may further cause / impact the tracking error.

#### **Risks associated with segregated portfolio**

- Investor holding units of segregated portfolio may not be able to liquidate their holding till the time realisable value is recovered.
- Security comprising of segregated portfolio may realise lower value or may realise zero value.
- Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

#### **Risk factor associated with investment in Units of Mutual Funds:**

Mutual funds being vehicles of securities investments are subject to market and other risks and there can be no guarantee against loss resulting from investing in the Scheme. The various factors which impact the value of the Schemes' investments include, but are not limited to, fluctuations in the bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes, suspension of subscription/redemptions of the scheme, change in fundamental attribute etc. The Scheme may invest in schemes of Mutual Funds. Hence, scheme specific risk factors of each such mutual fund schemes will be applicable to the Scheme portfolio.

All the above factors may not only affect the prices of securities but also the time taken by the Fund for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. The liquidity of the assets may be affected by other factors such as general market conditions, political events, bank holidays and civil strife. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in the SAI.

### C. Risk Mitigation Strategies

Type of Risks	Measures/ Strategies to control risks
<b>Equity Markets/ Equity Oriented Instruments</b>	<ul style="list-style-type: none"> <li>• Market Risk and Volatility: Market risk is a risk is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its Underlying Index.</li> <li>• Concentration / Sector Risk: Index Fund being a passive investment carries lesser risk as compared to active fund management. The portfolio follows the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking error. Thus there is no additional element of volatility or stock concentration on account of fund manager decisions. The Risk Mitigation strategy revolves around minimizing the Tracking error to the least possible through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Underlying Index as well as the incremental collections into / redemptions from the Scheme.</li> <li>• Liquidity Risks: As such the liquidity of stocks that the scheme invests into could be relatively low. The scheme will endeavor to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks.</li> </ul>
<b>Debt and Money Market instruments</b>	<ul style="list-style-type: none"> <li>• Credit Risk: Management analysis will be used for identifying company specific risks. Management’s past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer’s financial statements will be undertaken.</li> <li>• Price-Risk or Interest-Rate Risk: The Scheme may primarily invest the debt portion of the portfolio in money market instruments, units of Liquid and Overnight schemes thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities.</li> <li>• Risk of Rating Migration: The Scheme may primarily invest the debt portion of the portfolio in short-term money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of rating migration generally associated with long-term securities</li> <li>• Basis Risk: The debt allocation of scheme is primarily cash management strategy and such strategy returns are expected to reflect the very short term interest rate hence investment is done in short term debt and money market instruments.</li> <li>• Spread Risk: The Scheme may primarily invest the debt portion of the portfolio in short-term money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of spread expansion which is generally associated with long-term securities</li> <li>• Reinvestment Risk: The debt allocation of scheme is primarily cash management strategy and such strategy returns are expected to reflect the very short term interest rate hence investment is done in short term debt and money market instruments. Reinvestment risks will be limited to the extent of debt instruments, which will be a very small portion of the overall portfolio value.</li> </ul>

	<ul style="list-style-type: none"> <li>Liquidity Risk: The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. The Scheme may, however, endeavor to minimize liquidity risk by primarily investing the debt portion of the portfolio in relatively liquid short-term money market instruments, units of Liquid and Overnight schemes.</li> </ul>
<b>Derivatives</b>	The Scheme may take an exposure to equity derivatives of constituents or index derivatives of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted. All derivatives trade will be done only on the exchange with guaranteed settlement. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID.
<b>Securities Lending</b>	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.
<b>Segregated Portfolio</b>	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.
<b>Tracking errors</b>	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.
<b>Government securities and Triparty repo on Government securities or treasury bills:</b>	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.
<b>Units of overnight &amp; liquid mutual fund schemes</b>	Liquidity is generally high in both overnight as well as liquid schemes.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

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

## II. INFORMATION ABOUT THE SCHEME:

### A. Where Will The Scheme Invest

Securities/ Instruments	Definitions
Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares;	<p>Equity shares is a security that represents ownership interest in a company.</p> <p>Equity related instruments include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and such other instrument as may be specified by the Board from time to time.</p> <p>Derivative is a financial instrument whose value is based upon the value of an underlying equity shares or indices. The equity derivatives may be in the following form:</p> <p>Futures - Futures Contract means a legally binding agreement to buy or sell the underlying security / indices on a future date at an agreed price.</p> <p>Options - Options Contract is a type of Derivatives Contract which gives the buyer/holder of the contract the right (but not the obligation) to buy/sell the underlying asset at a predetermined price within or at end of a specified period. The buyer / holder of the option purchases the right from the seller/writer for a consideration which is called the premium. The seller/writer of an option is obligated to settle the option as per the terms of the contract when the buyer/holder exercises his right. The underlying asset could include securities, an index of prices of securities etc.</p>
Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)	<p>Government Security (G-Sec) is a tradeable instrument issued by the Central Government or the State Governments. It acknowledges the Government's debt obligation. They are generally long term with maturity of one year or more. In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs). G-Secs carry practically no risk of default and, hence, are called risk-free gilt-edged instruments.</p> <p>Repos / Reverse Repos enables collateralized short term borrowing and lending through sale/purchase operations in the such government securities.</p>
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	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.

guaranteed by Central or State Governments);	
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	<p>“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.</p> <p>"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.</p> <p>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.</p> <p>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.</p> <p>Repos / Reverse Repos enables collateralized short term borrowing and lending through sale/purchase operations in debt instruments (including corporate bonds).</p> <p>Bills Re-discounting is an instrument where a financial institution discounts the bills of exchange that it has discounted previously with another financial institution.</p>
Units of Mutual Funds Schemes	Mutual fund means a fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, money market instruments, gold or gold related instruments, silver or silver related instruments, real estate assets and such other assets and instruments as may be specified by the SEBI from time to time:



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.
---	--

## 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. 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.
2. 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.

3. 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 triparty repo on Government securities or treasury bills.

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

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

Considering the nature of the Scheme, investments in such instruments will be permitted up to 5% of its Net Asset.

4. 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.
5. 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.
6. 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 except for investments by equity-oriented ETFs and index funds based on widely tracked and non-bespoke indices, wherein the investments shall be made upto the weightage of the constituents of the underlying index, subject to overall cap of 35% of the net assets of the scheme in the group companies of the sponsor, in accordance with the SEBI circular no. SEBI/HO/IMD/IMD-PoD 2/P/CIR/2024/098 dated July 8, 2024
7. The Scheme shall not invest in any Fund of Funds Scheme.
8. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-
  - a. such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.)
  - b. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
  - c. IST purchases would be allowed subject to the guidelines as specified in Para 12.30 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.
9. The mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
  - o Provided that a 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 the Board:
  - o Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.
  - o 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.
10. 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 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.
11. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.
12. The mutual fund shall get the securities purchased / transferred in the name of the fund on account of the concerned scheme, where investments are intended to be of long term nature.
13. 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/2024/90 dated June 27, 2024, as may be

amended from time to time. The AMC shall not charge investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks.

14. 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/2024/90 dated June 27, 2024 as may be amended from time to time.
15. In accordance with the Para 12.1 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, investments in following instruments as specified in the said circular, as may be amended from time to time, shall be applicable:
  - i. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.
  - ii. 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.
16. 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.
17. 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.
18. As per para 3.4 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, in order to address the risk related to portfolio concentration in the Scheme, the underlying index for this scheme shall comply with the following :
  - a. The index shall have a minimum of 10 stocks as its constituents.
  - b. For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.
  - c. The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
  - d. The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

Accordingly, the underlying Index shall ensure that such index complies with the aforesaid norms.

Further, on a quarterly basis indices will be screened by NSE, for compliance with the portfolio concentration norms for ETFs/ Index Funds as specified in para 3.4 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. In case of non-compliance, suitable corrective measures will be taken to ensure compliance with the norms.

The Scheme shall endeavour to follow the guidelines prescribed under para 3.4 and 3.6 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 and circular issued thereunder from time to time.

The Scheme being an index fund, the investment by the scheme in the scheme in the equity shares or equity related instruments of any company shall be in accordance with the weightage of the scrips in Nifty Next 50 index

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.

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

#### **Limits for investment in derivatives instruments**

In accordance with Para 7.5 and 12.25 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the following conditions shall apply to the Scheme's participation in the derivatives market. The investment restrictions applicable to the Scheme's participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

##### **i. Position limit for the Mutual Fund in equity index options contracts**

- a. The Mutual Fund position limit in all equity index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in equity index option contracts, whichever is higher,
- b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

##### **ii. Position limit for the Mutual Fund in equity index futures/stock futures contracts:**

The Mutual Fund position limit in all equity index futures/stock futures contracts on a particular underlying index shall be Rs. 500 crore; or 15% of the total open interest in the market in equity index futures/stock futures contracts, whichever is higher,

This limit would be applicable on open positions in all futures contracts on a particular underlying index.

##### **iii. Additional position limit for hedging.**

In addition to the position limits at point (i) and (ii) above, Mutual Fund may take exposure in equity index derivatives subject to the following limits:

Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.

Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the Mutual Fund for stock based derivative contracts

The combined futures and options position limit shall be 20% of applicable MWPL

v. Position limit for the Scheme

The position limits for the Scheme and disclosure requirements are as follows—

For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of the Mutual Fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares).

Or

5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).

This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

### **Exposure Limits:**

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

1. The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), 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.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :-
  - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
  - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
  - d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

6. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.
7. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
8. Exposure in derivative positions shall be computed as follows:

<b>Position</b>	<b>Exposure</b>
Long Future	Futures Price * Lot Size *
Short Future	Number of Contracts
Option bought	Futures Price * Lot Size *

### **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

- SEBI has reviewed and provided its comments on the proposal.
- 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:

### About BSE Housing Index TRI

The BSE Housing is designed to reflect companies included in the BSE 250 Large Midcap Index that are classified in housing-related industries, subject to a 5% weight cap per company.

It can be used for variety of purposes such as benchmarking fund portfolios, launching of Index funds, ETF and structured products and also for research purposes.

### Index Re-Balancing:

The index rebalances semi-annually, effective as of market open on the Monday following the third Friday of June and December, respectively. The rebalancing reference date is after the close of market on the third Friday of May and November, respectively. The reference universe for the index is the composition of the underlying index as of the market open on the upcoming rebalancing effective date.

### Selection Criteria:

At each rebalancing, all eligible stocks are selected.

**Additions:** No stocks are added to any thematic index between semi-annual rebalancings. Therefore, the number of stocks in each index may fall below respective indices' targeted constituent counts if deletions are made between semi-annual rebalancings. This condition is not applicable for BSE Select Business Groups Index and BSE Internet Economy Index..

**Deletion:** if the classification of a company, based on the common India Industry Classification Structure, changes between semi-annual rebalancing such that the company becomes ineligible, the company is deleted from the index at the quarterly share update:

### Index Eligibility Criteria:

The index universe is drawn from the constituents of the BSE 250 LargeMidcap Index. As of each rebalancing reference date only common stocks and a common India Industry Classification Structure basic industry.

### Constituent Weighting:

At each rebalancing and reweighting, constituents are float-adjusted market capitalization weighted, subject to a single constituent weight cap of 5%. Any excess weight is proportionally redistributed to uncapped constituents.

### Index Constituents, Weightages and Impact cost as on September 30, 2024

Company Name	Weightage(%)	Impact Cost (%)
Dixon Technologies (India) Lim	6.38	0.04
VOLTAS LTD.	6.08	0.03
ASIAN PAINTS LTD.	5.47	0.02
GRASIM INDUSTRIES LTD.	5.45	0.02
GODREJ PROPERTIES LTD	5.27	0.05
HAVELLS INDIA LTD.	5.24	0.03
THE PHOENIX MILLS LTD	5.16	0.05
DLF LTD.	4.97	0.04

ULTRATECH CEMENT LTD.	4.97	0.03
AMBUJA CEMENTS LTD.	4.91	0.04
Polycab India Limited	4.74	0.03
SHREE CEMENT LTD.	4.55	0.03
PRESTIGE ESTATES PROJECTS LTD.	4.15	0.05
SUPREME INDUSTRIES LTD.	4.12	0.04
Macrotech Developers Limited	4.02	0.04
ASTRAL LIMITED	3.93	0.04
OBEROI REALTY LTD.	3.52	0.04
LIC HOUSING FINANCE LTD.	3.21	0.04
J.K.CEMENT LTD.	3.10	0.04
BERGER PAINTS INDIA LTD.	2.78	0.03
ACC LTD.	2.72	0.05
DALMIA BHARAT LIMITED	2.49	0.04
THE RAMCO CEMENTS LIMITED	1.77	0.03
KANSAI NEROLAC PAINTS LTD.	1.00	0.06

### **Index Service Provider**

Asia Index Pvt. Ltd is a wholly owned of BSE Ltd, Asia's oldest stock exchange and home to the iconic SENSEX index - a leading indicator of Indian equity market performance. We combine benchmarks and market intelligence. We are committed to processes, policies, and procedures that are aligned with industry's best practices as well as rules and regulations impacting our business.

For more information, please visit: <https://www.asiaindex.co.in/index.html>



## E. Other Scheme Specific Disclosures:

Listing and transfer of units	<p><b>Listing:</b></p> <p>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.</p> <p>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.</p> <p><b>Transfer of Units:</b></p> <p>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-PoD-1/P/CIR/2024/90 dated June 27, 2024. 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.</p> <p><b>Transfer of units held in Non-Demat [Statement of Account ('SOA')] mode:</b></p> <p>As per the AMFI Best Practices Guidelines Circular No.116 /2024-25 dated August 14, 2024, on 'Standard Process for Transfer of Units held in Non-Demat (SoA) mode', units held by individual unitholders in Non Demat ('SoA') mode can be transferred only in following cases-</p> <ol style="list-style-type: none"><li>i. Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of</li></ol>
-------------------------------	---

	<p>one or more joint unitholder(s).</p> <p>ii. A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee.</p> <p>iii. A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s).</p> <p>Partial transfer of units held in a folio shall be allowed. If the request for transfer of units is lodged on the record date, the IDCW payout/ reinvestment shall be made to the transferor.</p> <p>Redemption of the transferred units shall not be allowed for 10 days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently.</p> <p>For details, please refer Statement of Additional Information (SAI).</p>
Dematerialization of units	<p>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.</p>
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.

<p>Maximum Amount to be raised (if any)</p>	<p>Not Applicable since it is an ongoing scheme.</p>
<p>Dividend Policy (IDCW)</p>	<p><b>IDCW Frequency</b> IDCW is declared subject to availability and adequacy of distributable surplus.</p> <p><b>IDCW Record Dates:</b> 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)</p> <p>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.</p> <p>The IDCW will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme / Option at the close of the business hours on the record date, which will be announced in advance. The Fund is required to dispatch IDCW payments within seven working days from the record date. In case the AMC fails to dispatch the IDCW payments within the stipulated time of seven working days, it shall be liable to pay interest to the unit holders at 15% p.a. or such other rate as may be prescribed by SEBI from time to time.</p> <p>The IDCW Option will be available under two sub-options – the Payout Option and the Reinvestment Option.</p> <p><b>Payout Option:</b> Unitholders will have the option to receive payout of their IDCW by way of IDCW payments or any other means which can be enquired or by way of direct credit into their account.</p> <p><b>Reinvestment Option:</b> Under the reinvestment option, IDCW amounts will be reinvested in the IDCW Reinvestment Option at the Applicable NAV announced immediately following the record date. No entry loads will be charged on units allotted as a result of reinvestment IDCW.</p> <p>However, the Trustees reserve the right to introduce new options and / or alter the payout IDCW intervals, frequency, including the day of payout.</p>

	<p>When units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay IDCW. IDCW can be distributed out of investor's capital (Equalization Reserve), which is part of sale price that represents realized gains.</p> <p>The Income Distribution cum capital withdrawal (IDCW) payments shall be dispatched to the unitholders within seven working days from the record date.</p> <p>IDCW may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit, IMPS or NEFT in to Bank account, RTGS facility, any other mode allowed by Reserve Bank of India or through Banker's cheque, etc as the AMC may decide, from time to time for the smooth and efficient functioning of the Scheme.</p>
Allotment (Detailed procedure)	<p>Pursuant to Para 14.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund shall receive the following:</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>In case of a specific request is received from the investors, Kotak Mahindra Asset Management Company Ltd./ Kotak Mahindra Mutual Fund will provide the physical account statement to the investors.</p> <p>For Unitholders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail.</p>

	<p>Any discrepancy in the Account Statement should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement will be deemed to be correct if no error is reported within 30 days from the date of Account Statement.</p>
Refund	<p>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.</p>
<p>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.</p>	<p>The following are eligible to apply for purchase of the Units:</p> <ul style="list-style-type: none"> <li>• Resident Indian Adult Individuals, either singly or jointly (not exceeding three).</li> <li>• Parents/Lawful guardians on behalf of Minors.</li> <li>• Companies, corporate bodies, registered in India.</li> <li>• Registered Societies and Co-operative Societies authorised to invest in such Units.</li> <li>• Public sector undertakings, public/Statutory corporations subject to general or specific permissions granted to them by the Central/State governments from time to time.</li> <li>• 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.</li> <li>• Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds.</li> <li>• Partner(s) of Partnership Firms.</li> <li>• Association of Persons or Body of Individuals, whether incorporated or not.</li> <li>• Hindu Undivided Families (HUFs).</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions.</li> <li>• Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis.</li> <li>• Foreign Portfolio Investors (FPI) registered with SEBI.</li> <li>• Other Mutual Funds registered with SEBI.</li> <li>• International Multilateral Agencies approved by the Government of India.</li> <li>• Army/Navy/Air Force, Para-Military Units and other eligible institutions.</li> <li>• Scientific and Industrial Research Organizations.</li> <li>• Provident/Pension/Gratuity and such other Funds as and when permitted to invest.</li> <li>• Public Financial Institution as defined under the Companies Act 2013.</li> <li>• Universities and Educational Institutions.</li> <li>• Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed</li> </ul>

	<p>in the SEBI Regulations and/or by the Trustee, AMC or Sponsor, subscribe to the Units under the Scheme.</p> <p>The list given above is indicative and the applicable law, if any, shall supersede the list.</p>
<p>Who cannot invest</p>	<p>Acceptance of Subscriptions from U.S. Persons and Residents of Canada w.e.f. November 17, 2016: -</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The Trustee/AMC reserves the right to change/modify the provisions mentioned above at a later date.</p>
<p>How to Apply (details)</p>	<p>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 (<a href="http://www.kotakmf.com">www.kotakmf.com</a>).</p> <p>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.</p> <p>Further in line with Para 16.2.11 and 16.2.1 of SEBI circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 it has been decided to allow investors can directly access infrastructure of the recognised stock exchanges to purchase mutual fund units directly from</p>

	<p>Mutual Fund/ Asset Management Companies.</p> <p>Please refer to the SAI and Application form for the instructions.</p> <p>Link for the list of official points of acceptance, collecting banker details etc.  <a href="https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim">https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim</a></p> <p>Computer Age Management Services Ltd. (CAMS) (Registrar)  AVA Tower, Old No. 788 &amp; 789, Electricity Avenue, New No. 152 &amp; 150, Anna Salai, Beside Rayala Towers, Chennai - 600002.  Contact details - 044 6110 4034  Email Id – enq_k@camsonline.com  Website - <a href="http://www.camsonline.com">www.camsonline.com</a></p> <p>To inform investors that it is mandatory to mention their bank account numbers in their applications/requests for redemption.</p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>Not Applicable</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>The Asset Management Company shall, on production of instrument of transfer together with relevant documents, shall register the transfer within timelines as defined in the SEBI Regulation. The Units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time and as stated in. Para 14.4.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024. Further, for the procedure of release of lien, the investors shall contact their respective DP.</p> <p>Transfer of units held in Non-Demat [Statement of Account ('SOA')] mode:  As per the AMFI Best Practices Guidelines Circular No.116 /2024-25 dated August 14, 2024, on 'Standard Process for Transfer of Units held in Non-Demat (SoA) mode', units held by individual unitholders in Non Demat ('SoA') mode can be transferred only in following cases-</p> <ol style="list-style-type: none"> <li>i. Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s).</li> <li>ii. A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee.</li> </ol>

	<p>iii. A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s).</p> <p>Partial transfer of units held in a folio shall be allowed. If the request for transfer of units is lodged on the record date, the IDCW payout/ reinvestment shall be made to the transferor.</p> <p>Redemption of the transferred units shall not be allowed for 10 days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently.</p> <p>For details, please refer Statement of Additional Information (SAI).</p>
<p><b>Cut off timing for subscriptions/ redemptions/ switches</b></p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p><b>Applicable NAV for Purchases/Switch-ins</b></p> <p>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;</p> <p>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;</p> <p>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.</p> <p>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:</p> <p>It is clarified that switches will be considered as redemption in the switch-out scheme and purchase / subscription in the switch-in scheme</p> <p>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.</p> <p>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</p>



	<p>(viz, SIP, STP, Transfer of IDCW etc.) as may be offered by the Scheme from time to time.</p> <p><b>Applicable NAV for Redemption/ Switch outs</b></p> <p>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.</p> <p>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.</p>						
<p><b>Minimum amount for purchase/redemption/switches</b> (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.</p>	<p>Minimum application amount for purchases</p> <table border="1" data-bbox="746 853 1428 1111"> <thead> <tr> <th data-bbox="746 853 970 965"><b>Initial Purchase (Non- SIP)</b></th> <th data-bbox="970 853 1198 965"><b>Additional Purchase (Non- SIP)</b></th> <th data-bbox="1198 853 1428 965"><b>SIP Purchase</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="746 965 970 1111">Rs. 100/- and any amount thereafter</td> <td data-bbox="970 965 1198 1111">Rs 100/- and any amount thereafter</td> <td data-bbox="1198 965 1428 1111">Rs 100/- and any amount thereafter</td> </tr> </tbody> </table> <p><b>Minimum amount for redemption:</b> The minimum redemption amount for all plans will be Rs. 1000/- or 100 units or account balance, whichever is lower.</p>	<b>Initial Purchase (Non- SIP)</b>	<b>Additional Purchase (Non- SIP)</b>	<b>SIP Purchase</b>	Rs. 100/- and any amount thereafter	Rs 100/- and any amount thereafter	Rs 100/- and any amount thereafter
<b>Initial Purchase (Non- SIP)</b>	<b>Additional Purchase (Non- SIP)</b>	<b>SIP Purchase</b>					
Rs. 100/- and any amount thereafter	Rs 100/- and any amount thereafter	Rs 100/- and any amount thereafter					
<p>Accounts Statements</p>	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (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.</p> <p>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</p> <p>For further details, refer SAI.</p>						

Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024</p>
Bank Mandate	<p>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.</p> <p>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.</p> <p>Investors have an option of registering their bank accounts, by submitting the necessary forms &amp; documents. At the time of redemption, investors can select the bank account to receive the amount.</p>
Delay in payment of redemption / repurchase proceeds/dividend	In terms of para 14.2 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	<p>In accordance with Para 14.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, 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.</p> <p>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-PoD-1/P/CIR/2024/90 dated June 27, 2024.</p>

	<p>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.</p>
<p>Disclosure w.r.t investment by minors</p>	<p>As per Para 17.6 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 read with SEBI Circular dated May 12, , the following Process for Investments in the name of a Minor through a Guardian will be applicable:</p> <p>Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Please refer SAI for detailed process on investments made in the name of a Minor through a Guardian and Transmission of Units.</p>

### III. OTHER DETAILS

#### A. Periodic Disclosures

<p><b>Monthly and Half yearly Disclosures: Portfolio / Financial Results</b></p> <p>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.</p>	<p>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. <a href="http://www.kotakmf.com">www.kotakmf.com</a> and on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format.</p> <p>In accordance with Para 5.1 and 5.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, unitholders whose e-mail addresses are registered, Mutual Funds/AMC shall send the details of the scheme portfolio including the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark while communicating the fortnightly, monthly and half-yearly statement of scheme portfolio via email within 5 days of every fortnight for debt schemes, 10 days from the close of each month for other schemes and 10 days from the close of half-year for all schemes.</p> <p>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. The link for the mentioned disclosures - <a href="https://www.kotakmf.com/Information/statutory-disclosure/financials">https://www.kotakmf.com/Information/statutory-disclosure/financials</a></p>
<p><b>Half Yearly Results</b></p>	<p>The soft copy of unaudited financial results shall within one month from the close of each half year i.e. 31<sup>st</sup> of March and the 30<sup>th</sup> of September, be hosted on the website <a href="http://kotakmf.com">kotakmf.com</a> and will be sent to AMFI for posting on its website <a href="http://www.amfiindia.com">www.amfiindia.com</a>.</p> <p>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. The link for the mentioned disclosures - <a href="https://www.kotakmf.com/Information/statutory-disclosure/financials">https://www.kotakmf.com/Information/statutory-disclosure/financials</a></p>
<p><b>Annual Report</b></p>	<p>Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with Para 5.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 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. <a href="http://www.kotakmf.com">www.kotakmf.com</a> 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 (31<sup>st</sup> March). The AMCs shall display the link prominently on the website of the Kotak Mahindra Mutual Fund viz. <a href="http://www.kotakmf.com">www.kotakmf.com</a> and make the physical copies available to</p>

	<p>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 &amp; 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 - <a href="https://www.kotakmf.com/Information/statutory-disclosure/financials">https://www.kotakmf.com/Information/statutory-disclosure/financials</a></p>
<b>Scheme Summary Document (SSD)</b>	<p>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. <a href="http://www.kotakmf.com">www.kotakmf.com</a>, AMFI i.e. <a href="http://www.amfiindia.com">www.amfiindia.com</a> and Registered Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.</p>
<b>Risk-o-meter</b>	<p>In accordance with Para 17.4 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.</p> <p>The Risk-o-meter shall have following six levels of risk:</p> <ol style="list-style-type: none"> <li>i. Low Risk</li> <li>ii. Low to Moderate Risk</li> <li>iii. Moderate Risk</li> <li>iv. Moderately High Risk</li> <li>v. High Risk and</li> <li>vi. Very High Risk</li> </ol> <p>The evaluation of risk levels of a scheme shall be done in accordance with the aforesaid circular.</p> <p>Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders. The risk-o-meter shall be evaluated on a monthly basis and the risk-o-meter alongwith portfolio disclosure shall be disclosed on the AMC website as well as AMFI website within 10 days from the close of each month. Portfolio disclosure along with risk o meter details will be available at <a href="http://www.kotakmf.com">www.kotakmf.com</a> and on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>)</p>
<b>Tracking Error and Tracking Difference</b>	<p>In accordance with para 3.6.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024:</p> <p>The tracking error i.e. the annualised standard deviation of the difference in daily returns between underlying index and the NAV of the Scheme, is based on past one year rolling over data shall not exceed 2%. The disclosure regarding the same shall be made on monthly basis on the website of the Kotak Mahindra Mutual Fund viz. <a href="http://www.kotakmf.com">www.kotakmf.com</a>.</p>

	<p>In case of unavoidable circumstances in the nature of force majeure which are beyond the control of the AMC, the tracking error may exceed 2%, for which approval of Board of AMC and Trustees shall be taken and the same shall prominently be disclosed on the website of the Kotak Mahindra Mutual Fund viz. <a href="http://www.kotakmf.com">www.kotakmf.com</a>.</p> <p>Along with tracking error, tracking difference i.e. the annualized difference of daily returns between the index or goods and the NAV of the ETF/ Index Fund shall also be disclosed on the website of the AMC viz. <a href="http://www.kotakmf.com">www.kotakmf.com</a> and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.</p>
<b>Monthly Disclosures</b>	<p>The scheme shall disclose the following on monthly basis:</p> <p>i. Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme</p> <p>ii. Name and exposure to top 7 groups as a percentage of NAV of the scheme.</p> <p>iii. Name and exposure to top 4 sectors as a percentage of NAV of the scheme.</p> <p>Change in constituents of the index, if any, shall be disclosed on the AMC website on the day of change.</p>

## B. Transparency/NAV Disclosure

The NAVs of the Scheme will be calculated and disclosed on every Business Day on the website of the Kotak Mahindra Mutual Fund viz [www.kotakmf.com](http://www.kotakmf.com) and AMFI's website [www.amfiindia.com](http://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. on every 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 ([www.kotakmf.com](http://www.kotakmf.com)) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) on a monthly half-yearly basis within 10 days from the close of each month/ half-year 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.

Short Term Capital Gain Taxation Rates -Resident Individual, HUF, Domestic Corporate, NRI\$

Particulars	Investments made	Listed Unlisted	Short-term capital gains	
			Holding Period	Tax Rate <sup>^</sup>
Equity oriented mutual ( > = 65% Domestic shares)	--	--	= month	20%

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

<sup>^</sup> Tax rates for resident and non-residents shall be increased by applicable surcharge as per Note 1 and 4% Health & Education Cess.

Long term capital gain taxation rates -Resident Individual, HUF, Domestic Corporate, NRI\$

Particulars	Investments made	Listed Unlisted	Long-term capital gains	
			Holding Period	Tax Rate <sup>^</sup>
Equity oriented mutual ( > = 65% Domestic equity s	--	--	> 12 mo	12.50%

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

^Tax rates for resident and non-residents shall be increased by applicable surcharge and health and education cess as per Note 1.

Tax implication on income distribution cum capital withdrawal (IDCW) received by unit holders

Categories of Unit Holders	Threshold	TDS Rate	Taxation Rate
Resident Unit Holders	Rs. 5,000	10%	As per applicable slab rates applicable surcharge and (Refer Note 1)
Non-Resident Unit Holders (subject to DTAA benefits, in applicable)			
(1) FII/FPI	NILs	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
(2) Foreign company/corporate			
Purchase in Indian Rupees	NILs	20% plus applicable surcharge and cess (Refer note 1)	35% plus applicable surcharge and (Refer Note 1)
Purchase in Foreign Currency	NILs	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and (Refer Note 1)
(3) Others			
Purchase in Indian Rupees	NILs	20% plus applicable surcharge and cess (Refer note 1)	At slab rates applicable surcharge and (Refer Note 1)
Purchase in Foreign Currency	NILs	20% plus applicable surcharge and (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)

Note 1: -

A) In case of foreign companies;

- 2% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000
- 5% where the total income exceeds Rs. 100,000,000

B) In case of resident domestic corporate unit holders;

- 7% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or
- 12% where the total income exceeds Rs. 100,000,000
- 10% where domestic company is eligible & exercises the option granted u/s 115BAA or 115BAB of the Act.

C) In case of non-corporate resident unit holders being partnership firms covered under Indian Partnership Act, 1932/ Limited liability partnership covered under Limited Liability Partnership Act, 2008:

- 12% where the total income exceeds Rs.10,000,000

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

Income	Surcharge Rates		
Total Income	Other Income (i.e Income than Capital gains covered section 111A, section section112, 115AD(1)(b) company dividend).	Other Income (i.e Income than Capital gains covered section 111A, section section 112, 115AD(1)( company dividend).	Capital gains covered section 111A, section section 112, & 115AD & company dividend.
Upto 50 Lakh		Nil	Nil



More than 50 Lakh up to 1 Cr		10%	10%
More than 1 Cr but up to 2 Cr		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 5 cr	37%	15%

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

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

Note 2: - W.e.f 01.04.2020, as per Section 115R, no additional income tax payable on amount of distributed income on or after 01.04.2020.

Note 3: - Section 112A r.w.s section 55(ac) levies capital gains tax @ 12.5% on Long Term Capital Gains arising on transfer of units of equity-oriented funds.

The salient features of the capital gain tax are as under:

- Any transfer of equity-oriented fund units on or after 1 April 2018, shall not be exempt under section 10(38)
- Long term capital gains in excess of Rs. 1.25 lakh shall be taxable at rates mentioned in table above plus surcharge (if any, as applicable) plus health & education cess @ 4%.
- The capital gain will be computed without giving effect to the 1st and 2nd proviso to section 48 in the manner laid down under the section i.e. without indexation benefit and without foreign currency conversion benefit.

Note 4: - Tax Rates Regimes available for Domestic Corporate companies-

(a) 30% if investor falls into highest tax bracket.

(b) 25% If total turnover or gross receipts in the financial year 2020-21 does not exceed Rs. 400 crores.

(c) 22% lower rate is optional and subject to fulfilment of certain conditions (not claiming specified incentives and deductions) as provided in section 115BAA.

(d) 15% lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfilment of certain conditions (not claiming specified incentives and deductions as provided in section 115BAB.

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

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

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

Note 7: - The Finance Act, 2021 introduced section 206AB (applicable from 1 July 2021) stating that tax to be deducted at twice the applicable rate in case of payments to specified person (except non-resident not having permanent establishment in India) who have not filed return of income for immediately preceding assessment year for which time limit for filing return has expired and the aggregate of tax deducted at source in his case is Rs. 50,000 or more in each of these two years. Additionally, if provisions of section 206AA are also applicable then tax to be deducted at higher of the two rates provided i.e. rate as per section 206AB or section 206AA

Note 8: - It is assumed that the mutual fund units are held as capital assets by the investors.

Note 9: - Under Section 115BAC w.e.f 01.04.2023, all individual, HUF, AOP, BOI is required to pay tax at concessional rates (as below) under the new tax regime subject to the condition that certain exemptions/ losses/ deductions cannot be claimed. In case such taxpayer intends to claim deductions / exemptions, it may elect to opt for existing tax and slabs rates to continue to apply.

Securities Transaction Cost

Equity Oriented Fund

0.001% of Redemption Value on sale of units of an equity-oriented scheme to the mutual fund.

0.001% on Sale of Units of equity oriented mutual fund (Delivery Based) on recognized stock exchange.

## **F. Rights of Unitholders**

Please refer to SAI for details.

## **G. List Of Official Points Of Acceptance**

Refer Website 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/disclosuresrelatedtosidandkim>

**Notes:**

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

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

**Sd/-**

**Place: Mumbai**

**Ms. Jolly Bhatt**

**Date: November 29, 2024**

**Compliance Officer**

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