



SCHEME INFORMATION DOCUMENT

SECTION I

JioBlackRock Arbitrage Fund (An open ended scheme investing in arbitrage opportunities)

This product is suitable for investors who are seeking*	Risk-o-meter of the Scheme:	Risk-o-meter of the Benchmark: Nifty 50 Arbitrage (TRI) (As per AMFI Tier I Benchmark)
<ul style="list-style-type: none"> Income over short term Investment predominantly in arbitrage opportunities in cash and derivative segment of the equity market 	 <p>The risk of the benchmark is Low</p>	 <p>The risk of the benchmark is Low</p>
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.		

The above product labelling assigned during the New Fund Offer (NFO) is based on an internal assessment of the Scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Offer for Units of INR 10/- each during the New Fund Offer and Continuous Offer for Units at NAV based prices

New Fund Offer Opens on	:	December 9, 2025
New Fund Offer Closes on	:	December 11, 2025
Scheme re-opens on	:	Within five business days of allotment date

Name of Mutual Fund	:	Jio BlackRock Mutual Fund (referred as 'JioBlackRock Mutual Fund')
Name of Asset Management Company	:	Jio BlackRock Asset Management Private Limited (referred as 'JioBlackRock AMC')
Name of Trustee Company	:	Jio BlackRock Trustee Private Limited (referred as 'JioBlackRock Trustee')
Addresses, Website of the entities	:	Unit No. 1301, 13 th Floor, Altimus Building, Plot No. 130, Worli Estate, Pandurang Budhkar Marg, Worli, Mumbai – 400018, Maharashtra, India. Website: www.jioblackrockamc.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, [herein after referred to as SEBI (MF) Regulations]

as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of JioBlackRock Mutual Fund, standard risk factors, special considerations, tax and legal issues and general information on www.jioblackrockamc.com.

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

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

This Scheme Information Document is dated December 4, 2025.

Table Of Contents

Particulars	Page no.
<u>Section I</u>	
Part I Highlights/ Summary of the Scheme	5
Due Diligence by the Asset Management Company	11
Part II Information about the Scheme	12
A. How will the scheme allocate its assets?	12
B. Where will the scheme invest?	16
C. What are the investment strategies?	17
D. How will the scheme benchmark its performance?	19
E. Who manages the scheme?	20
F. How is the scheme different from existing schemes of the mutual fund?	21
G. How has the scheme performed?	21
H. Additional scheme related disclosures	21
Part III Other details	23
A. Computation of NAV	23
B. New Fund Offer (NFO) expenses	24
C. Annual scheme recurring expenses	24
D. Load structure	27
<u>Section II</u>	
Part I Introduction	28
A. Definitions/ Interpretation	28
B. Risk factors	28
C. Risk mitigation strategies	48
Part II Information about the Scheme	51
A. Where will the scheme invest?	51
B. What are the investment restrictions?	55
C. Fundamental Attributes	64
D. Index methodology	64
E. Principles of incentive structure for market makers	65
F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI master circular for mutual funds dated June 27, 2024	65
G. Other Scheme Specific Disclosures	65
Part III Other Details	76
A. In case of Fund of Funds scheme, Details of benchmark, Investment objective, Investment strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided	76
B. Periodic disclosures such as Half yearly disclosures, Half yearly results, annual report	76
C. Transparency/ NAV Disclosure	77
D. Transaction charges and stamp duty	78
E. Associate Transactions	78
F. Taxation	79
G. Rights of Unitholders	82

Particulars	Page no.
H. List of official points of acceptance	82
I. Penalties, Pending litigation or proceedings, Findings of inspections or Investigations for which action may have been taken or is in the process of being taken by any regulatory authority	83

PART I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	Name of the Scheme	JioBlackRock Arbitrage Fund
II.	Category of the Scheme	Hybrid Scheme- Arbitrage Fund
III.	Scheme type	An open ended scheme investing in arbitrage opportunities
IV.	Scheme code	JBMF/O/H/ARB/25/11/0011
V.	Investment objective	<p>The investment objective of the Scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and by investing the balance in debt and money market instruments.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>
VI.	Liquidity/Listing Details	<p>The Scheme is an open-ended scheme. Being an open-ended Scheme, the Scheme will be open for purchase/redemption on all business days at NAV based prices, subject to provisions of exit load, if any.</p> <p>Redemption proceeds shall be transferred within 3 (three) business days from the date of redemption request. In case of delay beyond 3 (three) business days, the AMC is liable to pay interest to the investors at the rate of 15% per annum. However, in case of exceptional circumstances mentioned in para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024, redemption or repurchase proceeds will be transferred to investors within the timeframe prescribed for such exceptional circumstances.</p> <p>The Scheme is not listed on any of the stock exchanges. The AMC, at its sole discretion, can undertake listing on any of the stock exchange(s) at a later date.</p>
VII.	Benchmark (Total Return Index)	<p>Tier I Benchmark: Nifty 50 Arbitrage (TRI)</p> <p>As prescribed under SEBI Master Circular for Mutual Funds dated June 27, 2024, Nifty 50 Arbitrage (TRI) has been selected from amongst those notified by AMFI for the Scheme. The composition of the benchmark is in line with the intended asset allocation and investment objective of the Scheme. Hence, the benchmark Index is an appropriate benchmark for the Scheme.</p> <p>Tier II Benchmark: Not Applicable</p> <p>The Trustee reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to the compliance with Regulations/ circulars issued by SEBI and AMFI in this regard from time to time.</p>
VIII.	NAV Disclosure	<p>The AMC shall update the NAVs on website of the Association of Mutual Funds in India – AMFI (www.amfiindia.com) and on the website of AMC www.jioblackrockamc.com/nav by 11.00 p.m. on every Business Day.</p> <p>For further details, please refer Section II.</p>
IX.	Applicable timelines	<p>Timeline for transfer of redemption proceeds:</p> <p>Redemption proceeds shall be transferred within 3 (three) business days from the date of redemption request. In case of delay beyond 3 (three)</p>

		<p>business days, the AMC is liable to pay interest to the investors at the rate of 15% per annum. However, in case of exceptional circumstances mentioned in para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024, redemption or repurchase proceeds will be transferred to investors within the timeframe prescribed for such exceptional circumstances.</p> <p>For further details, investors are requested to refer to Statement of Additional Information (SAI).</p>
X.	Plans and Options Plans/Options and sub options under the Scheme	<p>The Scheme shall offer only Direct Plan.</p> <p>Further, the Plan shall offer only Growth Option.</p> <p>The AMC may introduce further Plan/s and Option/s in future, subject to regulations.</p>
XI.	Load Structure	<p>Exit Load:</p> <ul style="list-style-type: none"> In respect of each purchase / switch-in of Units, an Exit Load of 0.25% is payable if Units are redeemed/ switched-out on or before 15 days from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 15 days from the date of allotment.
XII.	Minimum Application Amount / switch in	<p><u>During NFO:</u></p> <p>Minimum Application Amount (Lumpsum): Rs. 500/- and any amount thereafter.</p> <p>Minimum Amount for switch-in to the Scheme: Rs. 500/- and any amount thereafter.</p> <p>Minimum Amount for Systematic Investment Plan (SIP): Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p><u>On a continuous basis:</u></p> <p>Minimum Amount for Purchase (Lumpsum): Rs. 500/- and any amount thereafter.</p> <p>Minimum Amount for switch-in to the Scheme: Rs. 500/- and any amount thereafter.</p> <p>Minimum Amount for Systematic Investment Plan (SIP): Rs. 500/- and in multiples of Re. 1/- thereafter.</p> <p>Note: For mandatory investments made by designated employees of AMC in terms of para 6.10 of SEBI Master Circular for Mutual Funds dated June 27, 2024 and SEBI circular dated March 21, 2025, requirement for minimum application/ redemption amount will not be applicable.</p>
XIII.	Minimum Additional Purchase Amount	<p>Rs. 500/- and any amount thereafter.</p> <p>Note: The minimum additional purchase amount will not be applicable for investment made in schemes in line with para 6.10 of SEBI Master Circular for Mutual Funds dated June 27, 2024 and SEBI circular dated March 21, 2025.</p>

XIV.	Minimum Redemption / switch out amount	<p>‘Any amount’ or ‘any number of units’ as requested by the investor.</p> <p>The Redemption would be permitted to the extent of credit balance in the investor’s account of the Scheme (subject to release of pledge / lien or other encumbrances). The Redemption request can be made by specifying the rupee amount or by specifying the number of units to be redeemed.</p>
XV.	New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	<p>NFO opens on: December 9, 2025 NFO closes on: December 11, 2025</p> <p>As permitted by SEBI, NFO shall remain open for subscription for a minimum period of 3 business days but not more than 15 calendar days. Any extension or change to the NFO dates will be subject to the requirement of NFO period not exceeding 15 calendar days. Any changes in dates of NFO will be published through notice on website of the AMC i.e. www.jioblackrockamc.com/disclosure.</p>
XVI.	New Fund Offer Price: This is the period during which a new scheme sells its units to the investors.	<p>INR 10/- per Unit</p>
XVII.	Segregated portfolio / side pocketing disclosure	<p>Pursuant to clause 4.4 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the AMC has the provision to create segregated portfolio of debt and money market instruments under certain circumstances.</p> <p>Kindly refer SAI for more details.</p>
XVIII.	Swing pricing disclosure	<p>Not Applicable.</p>
XIX.	Stock lending / short selling	<p>Pursuant to clause 12.11 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the Scheme may engage in securities lending / short selling in accordance with the framework specified by SEBI.</p> <p>Kindly refer to SAI for more details.</p>
XX.	How to apply	<p>Investors can undertake transactions in the Schemes of JioBlackRock Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p>Physical Transactions</p> <p>For subscription / redemption / switches, application form and Key Information Memorandum may be obtained from the Official Points of Acceptance (OPAs) of the AMC / RTA or downloaded from the website of the AMC. (www.jioblackrockamc.com).</p> <p>Online / Electronic Transactions</p> <p>Investors can undertake transactions via electronic mode through various online facilities offered by JioBlackRock AMC/ other platforms specified by the AMC from time to time.</p> <p>During the New Fund Offers (NFO) period, investors applying under the Demat mode have the option to apply through Applications Supported by Blocked Amount (ASBA) facility. Investors will be required to submit ASBA form to the respective banks, which in turn will block the amount in their account as per authority contained in the ASBA form. ASBA applications can</p>

		<p>be submitted only at Self-Certified Syndicate Banks (SCSBs) at their designated branches. The list of SCSBs and their designated branches shall be displayed on the SEBI's website (www.sebi.gov.in). ASBA form should not be submitted at locations other than SCSB as it will not be processed. For details on the ASBA process please refer to the ASBA application form.</p> <p>Please refer to Section II and the SAI for further details.</p>
XXI.	Where can applications for subscription/redemption/switches be submitted	<p>For details, please refer section XX - "How to Apply".</p>
XXII.	Investor services	<p>Contact details for general service requests:</p> <ul style="list-style-type: none"> • Post feedback/suggestions on our website www.jioblackrockamc.com • Investors may call at: +91 22-35207700 & +91 22-69987700 during business hours. • Email – service@jioblackrockamc.com <p>Contact details for complaint resolution:</p> <p>Mr. Manish Kanchan Investor Relations Officer JioBlackRock Asset Management Private Limited, Unit no:1301, 13th Floor, Altimus building, Plot no.130, Worli Estate, Pandurang Budhkar Marg, Worli, Mumbai - 400018, Maharashtra, India</p> <p>For any grievances with respect to transactions through NSE/BSE, the Investor should approach the investor grievance cell of the respective stock exchange.</p> <p>MFU Customer Care: For transactions related to MFU, Investors may contact the customer care of MFU on 022-71791111 (business hours on all days except Sunday and Public Holidays) or can raise a query or lodge a complaint by selecting the 'Help & Support' option on www.mfuindia.com.</p>
XXIII.	Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes)	Not Applicable
XXIV.	Special product/facility available during the NFO and on ongoing basis	<p>The facilities/products available are:</p> <p><u>Systematic Investment Plan (SIP)</u> Investors of the Scheme can invest through SIP. SIP allows an investor to invest a specified sum of money at regular intervals. SIP facility will be available during NFO period and on an On-going basis.</p> <p>The minimum amount per SIP installment and Minimum number of installments under all frequencies of SIP are as follows:</p>

Frequency under SIP Facility	Minimum Installments	Minimum Amount and in multiples of
Weekly	6	Rs. 500 and in multiples of Re. 1/- thereafter
Monthly	6	Rs. 500 and in multiples of Re. 1/- thereafter
Quarterly	6	Rs. 500 and in multiples of Re. 1/- thereafter

SIP Top-Up Facility

Investors may avail SIP Top-up facility where they have options to increase the SIP Installment at pre-defined intervals. This will enhance the flexibility of the investor to invest higher amounts during the tenure of the SIP. The SIP Top-up facility will be available during NFO period and on an On-going basis.

Investors can utilize the Top-up facility to increase their SIP installment amount by investing a minimum of Rs. 50 and in multiples of Rs. 50. Alternatively, investors can increase the SIP installment amount by 10% and in multiples of 5%. The Top-Up amount will be rounded off to the nearest multiple of Re.1. The Weekly and Monthly SIP offers top-up frequency at Half-yearly and Yearly intervals. For Quarterly SIP, the top-up frequency is available on a Yearly basis.

SIP Pause Facility

SIP Pause facility allows investors to pause their existing SIP for a temporary period, without discontinuing the existing SIP and SIP would restart from the immediate next installment after completion of the pause period specified by the investor. SIP Pause can be for a minimum period of 1 month to a maximum period of 6 months. SIP Pause facility will be available only on an On-going basis.

Systematic Transfer Plan (STP)

STP is a facility wherein unitholders can opt to transfer a fixed amount at regular intervals to another designated open-ended scheme of JioBlackRock Mutual Fund. STP facility will only be available on an on-going basis and will not be available during the NFO period.

The minimum amount per STP installment and minimum number of installments under all frequencies of STP are as follows:

Frequency under STP Facility	Minimum Installments	Minimum Amount and in multiples of
Daily	6	Rs. 100 and in multiples of Re. 1/- thereafter
Weekly	6	Rs. 100 and in multiples of Re. 1/- thereafter
Monthly	6	Rs. 100 and in multiples of Re. 1/- thereafter
Quarterly	6	Rs. 100 and in multiples of Re. 1/- thereafter

		<p><u>Systematic Withdrawal Plan (SWP)</u></p> <p>Investors of the Scheme have the facility of enrolling themselves in a Systematic Withdrawal Plan (SWP). The SWP facility allows the investor to withdraw a specified sum of money periodically from their investments in the scheme. An SWP is ideal for investors seeking a regular inflow of funds for their needs. A fixed sum will be paid to the investor from their investments and the remaining part of the corpus will continue to earn returns. SWP facility will only be available on an on-going basis and will not be available during the NFO period.</p> <p>The minimum amount per SWP installment and minimum number of installments under all frequencies of SWP are as follows:</p> <table border="1"> <thead> <tr> <th>Frequency under SWP Facility</th><th>Minimum Installment</th><th>Minimum Amount and in multiples of</th></tr> </thead> <tbody> <tr> <td>Weekly</td><td>6</td><td>Rs. 500 and in multiples of Re. 1/- thereafter</td></tr> <tr> <td>Monthly</td><td>6</td><td>Rs. 500 and in multiples of Re. 1/- thereafter</td></tr> <tr> <td>Quarterly</td><td>6</td><td>Rs. 500 and in multiples of Re. 1/- thereafter</td></tr> </tbody> </table> <p>For more details on the above special products and facilities, please refer to the SAI.</p>	Frequency under SWP Facility	Minimum Installment	Minimum Amount and in multiples of	Weekly	6	Rs. 500 and in multiples of Re. 1/- thereafter	Monthly	6	Rs. 500 and in multiples of Re. 1/- thereafter	Quarterly	6	Rs. 500 and in multiples of Re. 1/- thereafter
Frequency under SWP Facility	Minimum Installment	Minimum Amount and in multiples of												
Weekly	6	Rs. 500 and in multiples of Re. 1/- thereafter												
Monthly	6	Rs. 500 and in multiples of Re. 1/- thereafter												
Quarterly	6	Rs. 500 and in multiples of Re. 1/- thereafter												
XXV.	Weblink	<p>The Total Expense Ratio (TER) shall be made available to the investors on the website of the AMC at www.jioblackrockamc.com/ter.</p> <p>The Scheme factsheet shall be made available to investors on the website of the AMC at www.jioblackrockamc.com/disclosure.</p>												
XXVI.	Nomination and KYC	For details on nomination and KYC, refer SAI.												

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 Document and that there are no deviations from the Regulations.
- (vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that JioBlackRock Arbitrage Fund approved by them is a new product offered by JioBlackRock Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Sd/-

Date: December 4, 2025

Name: Siddharth Swaminathan

Place: Mumbai

Designation: Managing Director and Chief
Executive Officer

Sd/-

Name: Garima Nahar

Designation: Chief Compliance Officer and
General Counsel

PART II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

The below table includes asset allocation giving the broad classification of assets and indicative exposure level in percentage terms. The Asset Allocation Pattern of the Scheme under normal circumstances would be as under:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity and Equity-related instruments including equity derivatives	65	100
Debt and Money Market Instruments including the margin money deployed in derivative transactions	0	35

The asset allocation as given above under normal circumstances is indicative and may vary according to circumstances at the sole discretion of the Fund Manager. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period, in line with the applicable SEBI Regulations.

The exposure to derivative shown in the above asset allocation table is exposure taken against the underlying equity investments i.e. in case the Scheme have a long position in a security and a corresponding short position in the same security, then the exposure for the purpose of asset allocation will be counted only for the long position. The intent is to avoid double counting of exposure and not to take additional asset allocation with the use of derivative. If suitable arbitrage opportunities are not available in the opinion of the Fund Manager, the Scheme may hedge the equity portfolio by using derivatives or may invest in short term debt / money market instruments.

The notional value of exposure in equity derivatives would be reckoned for equity securities exposure. The notional value of exposure in debt derivatives would be reckoned for debt and money market securities exposure.

- As per Clause 12.11 of SEBI Master Circular for Mutual Funds dated June 27, 2024, as amended from time to time, the Scheme may engage in securities lending 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 Regulation 44 and 45 of the SEBI (Mutual Funds) Regulations, 1996, the Scheme may engage in short selling of securities in accordance with the applicable guidelines / regulations.
- As per Clause 7.5, 7.6 and 12.25 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the Scheme may invest in Equity / Debt Derivatives (Hedging and Non-hedging) up to 100% of its net assets of the Scheme.
- Pursuant to para 12.25.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024, 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.

- As per Clause 4 of the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996, the Scheme may invest in other scheme(s) 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. Further, the Scheme shall not invest in any fund of funds scheme.
- As per Clause 12.18 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the investment in Repo / Reverse Repo in Corporate debt securities (including listed AA and above rated corporate debt securities and Commercial Papers (CPs) and Certificate of Deposits (CDs)) shall be up to 10% of the net assets of the Scheme.
- As per Clause 12.1.5 of SEBI Master Circular for Mutual Funds dated June 27, 2024, investment in unrated debt and money market instruments shall not exceed 5% of net assets, subject to approval of the Board of AMC and the Board of Trustees.
- As per Clause 12.1 of SEBI Master Circular dated June 27, 2024, investment in unlisted non-convertible debentures (NCDs) shall not exceed 10% of the debt portfolio of the Scheme.
- As per Clause 12.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the investment limits of mutual funds in Instruments with Special Features such as AT1 and AT2 Bonds shall be as under:
 - a. No Mutual Fund under all its schemes shall own more than 10% of such instruments issued by a single issuer;
 - b. A Mutual Fund scheme shall not invest:
 - i. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
 - ii. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

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

- As per Clause 12.15 of SEBI Master Circular for Mutual Funds dated June 27, 2024, investments in Securitised debt shall not exceed 20% of the net assets of the Scheme.
- As per Clause 12.3 of Master Circular for Mutual Funds dated June 27, 2024, the investment of the Scheme in the debt instruments having structured obligations / credit enhancements shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme.
- The Scheme may invest in TREPS upto 35% of the net assets of the Scheme. The exposure to TREPS may exceed the limit at the time of building up the portfolio of the Scheme post New Fund Offer and also pending deployment of new inflows received in the Scheme on an ongoing basis or on account of any adverse market situation.
- The cumulative gross exposure through equity, equity-related instruments, debt and money market instruments, repo / reverse repo in corporate debt securities, derivative positions (equity and fixed income derivatives), units of mutual funds, securitized debt, instruments with special features, credit enhancement and structured Obligations and such other securities/assets as may be permitted by SEBI from time to time subject to regulatory approvals, if any should not exceed 100% of the net assets of the Scheme as per clause 12.24 of SEBI Master Circular for Mutual Funds dated June 27, 2024.

- Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme as stated above, the funds of the Scheme may be invested in short term deposits of scheduled commercial banks in accordance with para 12.16 of SEBI Master Circular for Mutual Funds dated June 27, 2024.
- In line with SEBI circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/23 dated February 27, 2025; deployment of the funds garnered in an NFO shall be made within 30 business days from the date of allotment of units. In an exceptional case, if the AMC is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee. The Investment Committee, after examining the root cause for delay, may extend the timeline by 30 business days. In case the funds are not deployed as per the asset allocation mentioned above and as per the aforesaid mandated plus extended timelines, the AMC shall comply with the provisions mentioned in SEBI circular no. SEBI/HO/IMD/IMD Po1/P/CIR/2025/23 dated February 27, 2025.

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

Sl. No.	Type of Instrument	Percentage of exposure	Circular references
1.	Securities Lending	a. Upto 20% of the net assets b. Upto 5% of the net assets at single intermediary i.e. broker level	Clause 12.11 of SEBI Master Circular for Mutual Funds dated June 27, 2024
2.	Short Selling	The Scheme may engage in short selling in accordance with the applicable SEBI guidelines / regulations.	Regulation 44 and 45 of the SEBI (Mutual Funds) Regulations, 1996
3.	Equity / Debt Derivatives (Hedging and Non-hedging)	Upto 100% of the net assets of the Scheme	Clause 7.5, 7.6 and 12.25 of SEBI Master Circular for Mutual Funds dated June 27, 2024
4.	Mutual Fund Units	The Scheme may invest in units of schemes of JioBlackRock Mutual Fund and/or any other mutual fund subject to the overall limit of upto 5% of the net asset value of the mutual fund.	Clause 4 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996.
5.	Repo / Reverse Repo in Corporate Debt Securities	Upto 10% of the net assets of the Scheme	Para 12.18 of SEBI Master Circular for Mutual Funds dated June 27, 2024
6.	Short Term Deposits	Upto 15% of net assets of all scheduled commercial banks put together and up to 10% of net assets in single scheduled commercial bank.	Clause 12.16 of SEBI Master Circular for Mutual Funds dated June 27, 2024
7.	Instruments with Special Features such as AT1 and AT2 Bonds	a) Upto 10% of its NAV of the debt portfolio of the Scheme and b) Upto 5% of its NAV of the debt portfolio of the Scheme at single issuer level.	Clause 12.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024

Sl. No.	Type of Instrument	Percentage of exposure	Circular references
8.	Securitized Debt	Upto 20% of the net assets of the Scheme	Clause 12.15 of SEBI Master Circular for Mutual Funds dated June 27, 2024
9.	Debt instruments having Structured Obligations / Credit Enhancements	Upto 10% of the debt portfolio assets and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme	Clause 12.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024
10.	Unrated debt and money market instruments	Upto 5% of the net assets of the Scheme	Clause 12.1.5 of SEBI Master Circular on Mutual Funds dated June 27, 2024
11.	Unlisted Non-convertible debentures (NCDs)	Upto 10% of the debt portfolio of the Scheme	Clause 12.1 of SEBI Master Circular for Mutual Funds dated June 27, 2024
12.	Tri-party Repo on Government Securities or Treasury Bills	Upto 35% of the net assets of the Scheme The exposure to TREPS may exceed the limit at the time of building up the portfolio of the Scheme post New Fund Offer and pending deployment of new inflows received in the Scheme on an ongoing basis or on account of any adverse market situation.	-

The Scheme will not invest into the following instruments

Sr. no.	Type of Instrument
1.	Overseas Securities
2.	Credit Default Swaps
3.	Units of REITs and InvITs

Short-Term Defensive Considerations:

Subject to SEBI (MF) Regulations, the asset allocation indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the investors. As per clause 1.14.1.2.b of SEBI Master Circular for Mutual Funds dated June 27, 2024, as may be amended from time to time, such changes in the investment pattern will be for short term and for defensive consideration only.

In the event of change in the asset allocation, the Fund Manager will carry out portfolio rebalancing within 30 calendar days from the date of such deviation or such other timeline as may be prescribed by SEBI from time to time.

Portfolio Rebalancing:

In the event of any deviations from the mandated asset allocation as mentioned above due to passive breaches, portfolio rebalancing will be carried out by the AMC/Fund Manager within 30 business days of the date of the said deviation. This rebalancing will be subject to prevailing market conditions and in the interest of the investors. In case the portfolio of the Scheme is not rebalanced within the period of 30

business days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to 60 business days from the date of completion of mandated rebalancing period. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines, the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024.

B. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme shall be invested in accordance with the investment objective in any (but not exclusively) of the following securities:

- a) Equity and Equity related instruments include (but not limited to) convertible debentures, equity warrants, convertible preference shares and equity derivatives
- b) Securities issued by Government of India. Repos/ Reverse repos in Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- c) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- d) Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee
- e) Repo / Reverse Repo transactions in corporate debt securities
- f) Money Market Instruments include but not limited to Commercial Paper, Commercial Bills, Certificates of Deposit, Treasury Bills, Bills Rediscounting, Triparty Repo, Repo/ Reverse repo in government securities, Government securities with an unexpired maturity up to 1 year, Call or notice money, Usance Bills, and any other short-term instruments allowed under current Regulations
- g) Units of Mutual Fund Schemes
- h) Derivative instruments including but not limited to Futures & Options, Interest Rate Swaps, Forward Rate Agreements, Interest Rate Futures and such other derivative instruments permitted by SEBI/ RBI
- i) Cash & cash equivalents
- j) Debt Instruments include but not limited to Non-convertible debentures, Bonds, Secured premium notes, Zero interest bonds, Deep discount bonds, Floating rate bond / notes.
- k) Securitized debt
- l) Debt Instruments with special features (AT1 and AT2 Bonds)
- m) Debt instruments having Structured Obligations / Credit Enhancements
- n) Short Term Deposits of Scheduled Commercial Banks
- o) Non-Convertible Preference Shares (NCPS)
- p) Any other instruments permitted by SEBI/ RBI from time to time, subject to requisite approvals, if any
- q) Any other instruments / securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations.

Note: The securities/instruments mentioned above could be listed or unlisted, secured or unsecured, rated or unrated and of varying maturities and other terms of issue. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals.

The inter Scheme transfer of investments shall be in accordance with the provisions contained in Clause 12.30 of the SEBI Master Circular dated June 27, 2024, pertaining to Inter-Scheme transfer of investments.

C. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme will be actively managed. The Scheme will endeavour to invest in arbitrage opportunities between spot and futures prices of exchange traded equities and the arbitrage opportunities available within the derivative segment as per the investment objective and the asset allocation pattern of the Scheme. If suitable arbitrage opportunities are not available in the opinion of the Fund Manager, the Scheme may invest in debt and money market securities.

The Fund Manager will evaluate the difference between the price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for costs and taxes the scheme shall buy the stock in the spot market and sell the same stock in equal quantity in the futures market, simultaneously. The Scheme will endeavor to build similar market neutral positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash or futures segment and selling the index futures, etc. The Scheme would also look to avail of opportunities between one futures contract and another. The Fund Manager shall use derivatives within the permissible limits actively in-addition to hedging and rebalancing the portfolio subject to the Regulations and the investment objectives and the terms of the Scheme set out elsewhere in this Scheme Information Document.

The Scheme may deploy one or more of the below mentioned strategies to the extent they are in line with the investment objective of the Scheme.

1) Cash Futures Arbitrage:

The Scheme would look for market opportunities between the spot and the futures market. The cash futures arbitrage strategy can be employed when the price of the futures exceeds the price of the underlying stock. The Scheme will first buy the stocks in cash market and then sell in the futures market to lock the spread known as arbitrage return. Buying the stock in cash market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts. The future contracts are settled based on the last half an hour's weighted average trade of the cash market. Thus, there is a convergence between the cash market and the futures market on expiry. This convergence helps the Scheme to generate the arbitrage return locked in earlier. However, the position could even be closed earlier in case the price differential is realized before expiry or better opportunities are available in other stocks. The strategy is attractive if this price differential (post all costs) is higher than the investor's cost-of-capital. The fund may also enter into reverse arbitrage strategies, i.e., if futures were quoting at a discount, futures would be bought and shares would be sold to lock in an arbitrage profit.

2) Index Arbitrage:

The Nifty 50 derives its value from fifty constituent stocks; the constituent stocks (in their respective weights) can be used to create a synthetic index matching the Nifty Index. Also, theoretically, the fair value of a future is equal to the spot price plus the cost of carry. Theoretically, therefore, the pricing of Nifty Index futures should be equal to the pricing of the synthetic index created by futures on the underlying stocks. Due to market imperfections, the index futures may not exactly correspond to the synthetic index futures. The Nifty Index futures normally trades at a discount to the synthetic Index due to large volumes of stock hedging being done using the Nifty Index futures giving rise to arbitrage opportunities. One instance in which an index arbitrage opportunity exists is when Index future is trading at a discount to the index (spot) and the futures of the constituent stocks are trading at a cumulative premium. The fund manager shall endeavour to capture such arbitrage opportunities by taking long positions in the Nifty Index

futures and short positions in the synthetic index (constituent stock futures). Based on the opportunity, the reverse position can also be initiated.

3) Portfolio Protection / Hedging: The Scheme may use exchange-traded derivatives to hedge the equity portfolio.

4) Calendar Spread: Under this strategy, the Scheme attempts to extract and profit from the spread (the difference between buying and selling price) created between two derivative contracts (e.g. Futures) of the same underlying instrument but with different expiries.

5) Corporate Action / Event Driven Strategies:

Dividend Arbitrage: Around dividend declaration time, the stock futures / options market can provide a profitable opportunity. Generally, the stock price declines by the dividend amount when the stock goes ex-dividend.

Buy-Back/ Open offers Arbitrage: Companies that are targets for buy-backs/ open offers, provide opportunities depending on the difference between the traded price and the buy-back open offer price. The scheme will take a long position in a stock for which the buy-back/ open offer price is expected to be higher than the traded price. Depending on the probability of the open offer and acceptance of shares, the scheme may take a certain short position in the future of the same stock. Since the position is related to a stock-specific event, it is expected to be uncorrelated with the overall direction of the equity markets. This is not an exhaustive list as every corporate action could offer a different and unique opportunity.

6) Merger/ Risk Arbitrage: When the Company announces any merger, amalgamation, hive off, demerger, etc., there could be opportunities due to price differential in the cash and the derivative market. In case the merger is between 2 listed companies, the arbitrage can be based on the differential between the announced swap ratio and the actual traded prices for the 2 stocks.

7) Convertible Securities Arbitrage (when available): This strategy attempts to extract value from options embedded in convertible securities. Typically, the strategy involves purchasing a convertible security and then hedging the underlying equity security.

8) Covered Call Strategy: The covered call strategy is a strategy where a fund manager writes call options against an equivalent long position in an underlying stock thereby giving up a part of the upside from the long position. The strategy allows the fund manager to earn premium income from the option writing in addition being able to capture the remaining part of the upside.

The Scheme may deploy one or more of the above mentioned Strategies to the extent they are in line with the investment objective of the Scheme. These strategies are only indicative, and the Fund Manager may adopt other strategies depending on market conditions and regulatory compliance. Additionally, the provision for trading in derivatives is an enabling provision and it's not binding on the Scheme to undertake trading on day - to - day basis.

The Scheme may invest part of its portfolio in debt and money market instruments subject to permissible limits laid down under SEBI (MF) Regulations and will be guided by credit quality, liquidity, interest rate outlook. The Scheme will have an exposure to derivatives for hedging, portfolio balancing and optimising returns. The Debt and Money Market Instruments include any margin money that has to be maintained for the derivative position. The margin money could also be maintained partly as Fixed deposits with Scheduled commercial banks. The maturity profile of the rest of the debt and money market component would be determined by the view of the Fund Manager. If the view of the Fund Manager is that interest

rates would go up then the average maturity of the debt & money market portfolio would be reduced and if the view of the Fund Manager is that interest rates would decline, then the average maturity may be increased. This would however depend on the view of the Fund Manager and can substantially change, depending on the prevailing market circumstances.

It's important to note that the above strategies are just examples, and the Fund Manager may adopt other strategies as well, depending on market conditions and regulatory compliance.

Derivatives Strategy

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 the 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. Derivative investments carry certain risks and issues arising out of such dealings. The risks associated with the use of derivatives either for hedging or for portfolio balancing are different from, and possibly greater than, the risks associated with investing directly securities and other traditional investments.

For detailed derivative strategies, please refer to SAI.

Portfolio Turnover

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The Scheme being an open ended scheme, it is expected that there would be frequent subscriptions and redemptions. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. If trading is done frequently there may be an increase in transaction cost such as brokerage paid etc. The fund manager will endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. The Scheme has no specific target relating to portfolio turnover.

Risk Control

Risk is an inherent part of the investment function. Effective Risk management is critical to fund management for achieving financial soundness. Investment by the Scheme would be made as per the investment objective of the Scheme and in accordance with SEBI Regulations. AMC has adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep in line with the investment objective of the Scheme. The risk control process would include identifying the risk and taking proper measures for the same. The system has incorporated all the investment restrictions as per the SEBI guidelines and enables identifying and measuring the risk through various risk management tools like various portfolio analytics, risk ratios, average duration and analyses the same and acts in a preventive manner.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Scheme's benchmark would be Nifty 50 Arbitrage (TRI).

As prescribed under SEBI Master Circular for Mutual Funds dated June 27, 2024, Nifty 50 Arbitrage (TRI) has been selected from amongst those notified by AMFI for the Scheme. The composition of the benchmark is in line with the intended asset allocation and investment objective of the Scheme. Hence, the benchmark Index is an appropriate benchmark for the Scheme.

The above benchmark is in accordance with clause 1.9 of SEBI Master Circular for Mutual Funds dated June 27, 2024 on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' and the list published by AMFI in this regard on Tier 1 benchmark for hybrid schemes.

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

Tier II Benchmark: Not Applicable

The Trustee reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to the compliance with Regulations/ circulars issued by SEBI and AMFI in this regard from time to time.

E. WHO MANAGES THE SCHEME?

Name of the Fund Manager & Age	Educational Qualification	Brief Experience (last 10 years)	Other schemes under his/her management
Mr. Anand Shah Age: 48 Years (Managing the equity portion of the Scheme since inception.)	<ul style="list-style-type: none"> PGDBA from K.C. College of Management Studies Bachelor in Commerce from Mumbai University 	<ul style="list-style-type: none"> JioBlackRock Asset Management Private Limited – (since December 01, 2024) Jio Financial Services Limited (Special Projects) – June 03, 2024 – November 30, 2024. Aditya Birla Sun Life Insurance Company Limited (Chief Manager - Investment) – June 06, 2018 – May 29, 2024. BOI AXA Investment Managers Pvt Ltd. (Equity Dealer) – November 17, 2015 – June 01, 2018. Zyfin Capital Advisors Pvt Ltd (Product Manager – Equity) – June 01, 2013 – November 16, 2015. 	<ul style="list-style-type: none"> JioBlackRock Nifty 50 Index Fund JioBlackRock Nifty Smallcap 250 Index Fund JioBlackRock Nifty Next 50 Index Fund JioBlackRock Nifty Midcap 150 Index Fund
Mr. Haresh Mehta Age: 41 Years (Managing the equity portion of the Scheme since inception.)	<ul style="list-style-type: none"> Masters in business administration from SMU (Sikkim Manipal University) in the year 2017. B.Com from Mumbai University in the year 2009. CFA Level 1 in the year 2019. 	<ul style="list-style-type: none"> JioBlackRock Asset Management Private Limited – (since May 05, 2025). Bajaj Finserv Asset Management Limited - December 9, 2024 - April 25, 2025. Aditya Birla Sun Life AMC Limited - September 16, 2022 - 	<ul style="list-style-type: none"> JioBlackRock Nifty 50 Index Fund JioBlackRock Nifty Smallcap 250 Index Fund JioBlackRock Nifty Next 50 Index Fund JioBlackRock Nifty Midcap 150 Index Fund

Name of the Fund Manager & Age	Educational Qualification	Brief Experience (last 10 years)	Other schemes under his/her management
		<p>November 26, 2024.</p> <ul style="list-style-type: none"> • Baroda BNP Paribas Asset Management India Private Limited - June 18, 2018, to August 31, 2022. • First Global Stock Broking Private Limited - April 20, 2007 to June 15, 2018. 	
<p>Mr. Siddharth Deb</p> <p>Age: 42 Years</p> <p>(Managing the debt portion of the Scheme since inception)</p>	<ul style="list-style-type: none"> • MMS Finance from University of Mumbai • B.Sc. (Zoology) from University of Kolkata 	<ul style="list-style-type: none"> • JioBlackRock Asset Management Private Limited (Senior Fund Manager) (since May 01, 2025). • Nippon Life India Asset Management Limited (Fund Manager) – November 2016 – April 2025. • Goldman Sachs Asset Management India (Fund Manager) – August 2011 – November 2016. 	<ul style="list-style-type: none"> • JioBlackRock Money Market Fund • JioBlackRock Liquid Fund • JioBlackRock Overnight Fund • JioBlackRock Nifty 8-13 yr G-Sec Index Fund
<p>Mr. Arun Ramachandran</p> <p>Age: 42 Years</p> <p>(Managing the debt portion of the Scheme since inception)</p>	<p>Financial Risk Management (2010)</p> <p>Post Graduate Diploma in Business Administration (Mumbai Education Trust – 2006)</p>	<ul style="list-style-type: none"> • JioBlackRock Asset Management Private Limited (Fund Manager – Fixed Income) (since December 27, 2024). • SBI Funds Management Limited (Fund Manager – Fixed Income) – March 02, 2009 – December 26, 2024. 	<ul style="list-style-type: none"> • JioBlackRock Money Market Fund • JioBlackRock Liquid Fund • JioBlackRock Overnight Fund • JioBlackRock Nifty 8-13 yr G-Sec Index Fund

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

Not Applicable since this is the first Scheme in the Hybrid category being launched by JioBlackRock Mutual Fund.

G. HOW HAS THE SCHEME PERFORMED?

This Scheme is a new scheme and does not have any performance track record.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors including detailed description.)

Not Applicable as this is a new Scheme.

- ii. **Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds including detailed description.**

Not Applicable as this not an index fund / ETF.

- iii. **Functional website link for Portfolio Disclosure – Monthly / Half Yearly.**

The Mutual Fund / AMC will disclose the portfolio (along with ISIN and other prescribed details) of the Scheme in the prescribed format on a Monthly and Half Yearly basis on its website - www.jioblackrockamc.com/disclosure.

The details can be accessed using the following links:

Monthly portfolio	www.jioblackrockamc.com/disclosure
Half yearly portfolio	www.jioblackrockamc.com/disclosure

- iv. **Portfolio Turnover Rate.**

Not Applicable as this is a new Scheme.

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

Sr. No.	Category of Persons	Net Value*		Market Value (in Rs.)
1	Concerned scheme's Fund Manager(s)	Units	NAV per Unit	
Not Applicable				

**includes mandatory investments under SEBI guidelines, if any.*

The above disclosures are not applicable since this Scheme is a new scheme and does not contain any details.

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

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

Subject to the SEBI (MF) Regulations, the sponsors and investment companies managed by them, their associate companies, subsidiaries and affiliates of the sponsors, the funds managed by associates and/or the AMC may acquire a substantial portion of the scheme. Accordingly, redemption of units held by such funds, associates and sponsors may have an adverse impact on the units of the scheme because the timing of such redemption may impact the ability of other investors to redeem their units.

Pursuant to Regulation 25(16A) of the SEBI (MF) Regulations, 1996, the AMC shall invest in the Scheme based on the risk associated with the Scheme as specified in SEBI Master Circular for Mutual Funds dated June 27, 2024 read with AMFI Best Practice Guidelines Circular 135/BP/100/2022-23 dated April 26, 2022 and any other circulars issued there under, from time to time.

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

The investors can refer to the investments made by the AMC in the Scheme on the website of the Company at www.jioblackrockamc.com/disclosure.

PART III. OTHER DETAILS

A. COMPUTATION OF NAV

The NAV of the units of the Scheme would be computed by dividing the net assets of the Scheme by the number of outstanding units on the valuation date. The AMC shall value the investments according to the valuation norms, as specified in the SEBI (MF) Regulations. All expenses and incomes accrued up to the valuation date shall be considered for computation of NAV. The NAV of the Scheme would be calculated up to two decimal places and would be declared on each business day.

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

NAV (Rs.) =

Market or Fair Value of Scheme's investments + Current Assets including Accrued Income - Current Liabilities and Provision including accrued expenses

No. of units outstanding under the Scheme on the Valuation Day

Illustration on Computation of NAV: If the net assets of the Scheme are INR 10,55,65,000.00 and units outstanding are 1,00,00,000 then the NAV per unit will be computed as follows:

$10,55,65,000.00 / 1,00,00,000 = \text{INR. } 10.56 \text{ per unit (up to two decimals).}$

Methodology of calculating the sale price:

The price or NAV an investor is charged while investing in an open-ended scheme is called sale / subscription price. Pursuant to clause 10.4.1.a of the SEBI Master Circular for Mutual Funds dated June 27, 2024, no entry load will be charged by the Scheme to the Investors.

Therefore, Sale / Subscription price = Applicable NAV

Methodology of calculating the repurchase price

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

Therefore, Repurchase / Redemption Price = Applicable NAV *(1 – Exit Load, if any)

For example, if the Applicable NAV of the Scheme is Rs. 10 and the Exit Load applicable at the time of investment is 1% if redeemed before completion of 1 year from the date of allotment of units and the Investor redeems units before completion of 1 year, then the repurchase/redemption price will be: = Rs. $10 \times (1 - 0.01) = \text{Rs. } 9.90$

The Repurchase Price will not be lower than 97% of the NAV.

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

B. NEW FUND OFFER (NFO) EXPENSES

These are the expenses incurred for the purpose of new fund offer of the scheme including marketing, advertising, communication, registrar expenses, statutory expenses, printing expenses, stationery expenses, bank charges, exchange related charges, service provider related charges etc. As required in SEBI Regulations, all NFO expenses will be borne only by the AMC and not by the Scheme. Accordingly, the NFO expenses would be incurred from AMC books and not from Scheme books.

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.

The AMC has estimated that up to 2.25% of the daily net assets of the Scheme will be charged to the Scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of Mutual Fund at www.jioblackrockamc.com/ter

Expense Head	% p.a. of daily Net Assets (Estimated p.a.)
Investment Management & Advisory Fee	Up to 2.25%
Audit fees / fees and expenses of trustees ³	
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 ¹	
Brokerage & Transaction cost on value of trades ²	
Goods & Services Tax on expenses other than investment and advisory fees ⁴	
Goods & Services Tax on brokerage and transaction cost ⁴	
Other Expenses (to be specified as per Reg 52 of SEBI (MF) Regulations, 1996)	
Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c) ⁵	Up to 2.25%
Additional expenses under Regulations 52(6A)(c)	Up to 0.05% ^{2*}

*As per Para 10.1.7 of SEBI Master Circular on Mutual Funds dated June 27, 2024, schemes wherein exit load is not levied, the AMC shall not be eligible to charge the above-mentioned additional expenses for such scheme.

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

First INR 500 Crore	Next INR 250 Crore	Next INR 1250 Crore	Next INR 3000 Crores	Next INR 5000 Crores	Next INR 40000 Crores	On balance of the assets
2.25%	2.00%	1.75%	1.60%	1.50%	Total expense ratio reduction of 0.05% for every increase of INR 5,000 crores of daily net assets or part thereof	1.05%

¹Investor Education and Awareness initiatives: As per clause 10.1.16 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the AMC shall annually set apart 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Plan(s) under the Scheme within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken.

²Additional Expenses under Regulation 52 (6A):

- (i) Brokerage and transaction cost incurred for the purpose of execution of trade shall be charged to the schemes as provided under Regulation 52 (6A) (a) up to 12 bps and 5 bps for cash market transactions and derivatives transactions (if permitted under the scheme) respectively. Any payment towards brokerage and transaction costs, over and above the said 12 bps and 5 bps may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52.

³**Trusteeship fees:**

Trustee Fees will be ascertained and payable in the manner at the rate as may be decided by the Trustee Board from time to time, within the overall limits of the regulatory TER.

All scheme related expenses by whatever name it may be called and in whatever manner it may be paid, shall necessarily paid from the scheme only within the regulatory limits and not from the books of AMC, its associate, sponsor, trustees or any other entity through any route in terms of SEBI circulars, subject to the clarifications provided by SEBI to AMFI vide letter dated February 21, 2019 as amended from time to time on implementation of clause 10.1.12 of SEBI Master Circular for Mutual Funds dated June 27, 2024 on Total Expense Ratio (TER) and performance disclosure for Mutual Fund.

The total expenses charged to the Scheme shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations and as permitted under SEBI Circulars issued from time to time.

The Mutual Fund would update the current expense ratios on its website – <https://www.jioblackrockamc.com/ter> under the separate head ‘Total Expense Ratio (TER)’, at least three working days prior to the effective date of the change.

⁴GST:

As per clause 10.3 of the SEBI Master Circular for Mutual Funds dated June 27, 2024, GST shall be charged as follows:

1. GST on investment management and advisory fees shall be charged to the Scheme in addition to the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
2. GST on other than investment management and advisory fees, if any, shall be borne by the Scheme within the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
3. GST on exit load, if any, shall be paid out of the exit load proceeds and exit load net of GST, if any, shall be credited to the Scheme.
4. GST on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the SEBI (MF) Regulations.

⁵There shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) viz. investment management and advisory fees and various sub-heads of recurring expenses respectively.

Illustration:

Impact of Expense Ratio on Scheme's return: To further illustrate the above in rupees terms, for the Scheme under reference, suppose an Investor invested INR 10,000/- (after deduction of stamp duty and transaction charges, if any) the impact of expenses charged will be as under:

Particulars	Direct Plan	Regular Plan
Amount invested at the beginning of the year (INR)	10,000	10,000
Returns before expenses (INR)	1,500	1,500
Expenses other than Distribution expenses (INR)	50	50
Distribution expenses (INR)	-	100
Returns after expenses at the end of the year (INR)	1450	1350
Returns (in %)	14.50%	13.50%

Note(s):

- The purpose of the above illustration is purely to explain the impact of expense ratio charged under the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- It is assumed that the expenses charged are evenly distributed throughout the year.
- The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses/commission.
- Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to seek appropriate advice.
- JioBlackRock Arbitrage Fund offers only Direct Plan under the Scheme. The above illustration is only to disclose impact of Expense Ratio on returns of both Direct Plan and Regular Plan for understanding purpose only.

D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the Scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC at www.jioblackrockamc.com or may call at Contact Center no.- +91 22-35207700 & +91 22-69987700 during business hours.

Type of Load	Load chargeable (as %age of NAV)
Entry	Not Applicable
Exit	<ul style="list-style-type: none">• In respect of each purchase / switch-in of Units, an Exit Load of 0.25% is payable if Units are redeemed/ switched-out on or before 15 days from the date of allotment.• No Exit Load is payable if Units are redeemed / switched-out after 15 days from the date of allotment

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

- The addendum detailing the changes will be attached to Scheme Information Documents and Key Information Memorandum.
- Arrangements will be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centres.
- The introduction of the exit load along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load.
- A public notice shall be provided on the website of the AMC in respect of such changes.
- Any other measures which the mutual fund may feel necessary.

The AMC reserves the right to modify the Exit Load/Fee mentioned above at any time in future on a prospective basis, subject to the limits prescribed under the SEBI Regulations.

SECTION II

I. Introduction

A. Definitions/interpretation:

The investors may refer to the website of the Company at link www.jioblackrockamc.com/disclosure for the definitions of terms used in this Scheme Information Document.

B. Risk factors:

a) Standard Risk Factors:

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the scheme can go up or down depending on various factors and forces affecting capital markets and money markets.
- Past performance of the Sponsor (s)/ AMC/ Mutual Fund does not guarantee the future performance of the Scheme.
- The name of the Scheme does not in any manner indicate its quality or its future prospects and returns.
- The Sponsor(s) are not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lakh each made by it towards setting up the Fund.
- The present Scheme is not a guaranteed or assured return scheme.

Please refer SAI for details.

b) Scheme Specific Risk Factors:

Risks associated with investment in Equity and Equity related instruments:

- Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- The NAVs of Scheme to the extent invested in equity will fluctuate as the daily prices of the individual securities in which they invest fluctuate and the units when redeemed may be worth more or less than their original cost.
- The value of the Scheme's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including

equity and debt markets. Consequently, the NAV of the units of the Scheme may fluctuate and can go up or down.

- While the securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. The liquidity of the Scheme's investments is inherently restricted by trading volumes in which it invests.
- In respect of investments in equity and equity related instruments, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities. In the event of inordinately large number of redemptions or of a restructuring of the scheme's investment portfolio, there may be delays in the redemption of units.
- Within the regulatory limits, the Fund Manager may choose to invest in listed or to be listed securities that offer attractive yields. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. This may however increase the risk of the portfolio. The liquidity and valuation of the Scheme's investments due to their holdings of listed or to be listed securities may be affected if they have to be sold prior to their target date of disinvestments.
- Investment made in listed or to be listed equity or equity related securities may only be realizable upon listing of these securities. Settlement problems could cause the Scheme to miss certain investment opportunities.
- Investors may note that dividend is due only when declared and there is no assurance that a company (even though it may have a track record of payment of dividend in the past) may continue paying dividend in future. As such, the Scheme is vulnerable to instances where investments in securities may not earn dividend or where lesser dividend is declared by a company in subsequent years in which investments are made by Scheme. As the profitability of companies are likely to vary and have a material bearing on their ability to declare and pay dividend, the performance of the Scheme may be adversely affected due to such factors.
- Investors may note that Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.
- In case of abnormal circumstances, it will be difficult to complete the square off transaction due to liquidity being poor in stock futures/spot market. However, fund will aim at taking exposure only into liquid stocks where there will be minimal risk to square off the transaction.

Volatility and Economic Risks:

The value of investments in the Scheme may fluctuate due to various factors, including price and volume volatility in the equity markets, interest rates, currency exchange rates, and broader economic and political developments. Changes in government policies, taxation laws, or regulations by appropriate authorities may also impact the scheme's performance. The NAV of the Scheme can rise

or fall in response to these factors, and investors should be prepared for potential fluctuations in their investment value.

Liquidity Risks and Trading Volumes:

Trading volumes, settlement periods, and transfer procedures may limit the liquidity of the investments held by the Scheme. Different segments of the financial markets have varying settlement periods, and unforeseen circumstances could extend these periods, leading to delays in the receipt of proceeds from the sale of securities. Additionally, the absence of a well-developed and liquid secondary market for certain securities may restrict the scheme's ability to execute transactions, potentially causing the scheme to miss investment opportunities or realize losses.

The liquidity of the investments made by the Scheme may sometimes be constrained by trading volumes and settlement periods. In situations where there is an unusually large number of redemption requests or a need to restructure the Scheme, the time required by the Mutual Fund to process redemptions may be significant. Given these circumstances, the Trustee reserves the right, at its sole discretion, to limit or suspend redemptions under certain conditions, as detailed in the section 'Right to Restrict Redemptions' under 'Restrictions, if any, on the right to freely retain or dispose of units being offered.'

At times, the Scheme may face a large number of redemption requests, which could lead to an asset-liability mismatch. This situation may force the investment manager to undertake a distress sale of securities, resulting in a realignment of the portfolio and potentially leading to investments in more liquid instruments which may be lower yielding.

The liquidity of stocks available only in the cash segment, and not in the F&O segment, can be negatively impacted when a circuit filter is imposed by any stock exchange. This situation may lead to gains or losses for existing investors once the purchase or sale of that stock is eventually executed. Such circumstances can also contribute to tracking error when comparing the Scheme's returns with its benchmark.

Subscription (Upper Circuit):

The Scheme will purchase stocks according to the basket allocation when no circuit is imposed.

If a circuit filter is triggered on any stock(s) in the basket:

1. The Scheme will hold cash for the stock(s) on circuit at the last available price on the stock exchange when the circuit was triggered.
2. The stock(s) will be purchased immediately when the circuit opens.

This process may impact performance and result in tracking error.

Redemption (Lower Circuit):

The Scheme will sell stocks according to the basket allocation if no circuit is imposed.

If a circuit filter is triggered on any stock(s) in the basket:

1. The Scheme will pay from cash or cash equivalents, or create cash by selling other stocks at the last available price on the stock exchange when the circuit was triggered. This action may impact performance and result in tracking error.
2. The stock(s) will be sold immediately when the circuit opens, and the portfolio will be rebalanced, which may also impact performance and result in tracking error.

Taxation Risks:

Trustee, AMC, Fund, their directors, or their employees shall not be liable for any tax consequences that may arise in the event that the Scheme is wound up for reasons specified in the Scheme Information Document (SID) and Statement of Additional Information (SAI). Investors should be aware that changes in the fundamental attributes of the scheme or other factors leading to redemption by the investor may entail tax consequences. The Trustee, AMC, Fund, their directors, or their employees shall not be responsible for any tax implications arising from such actions. Furthermore, tax benefits described in the SAI and SID are based on the current taxation laws, which may change. Investors should consult their tax advisors, as the tax position prevailing at the time of investment may not endure indefinitely.

Redemption by the investor, whether due to a change in the fundamental attributes of the Scheme or for any other reason, may have tax implications. The Trustee, AMC, Fund, their directors, or employees shall not be held liable for any tax consequences that may arise from such redemptions.

Risks associated with transaction in Units through stock exchange(s):

In respect of transaction in Units of the Scheme through BSE and / or NSE (applicable to the facility to transact in the Units of the Scheme through the Stock Exchange mechanism provided by the AMC), allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by BSE and / or NSE and their respective clearing corporations on which the Fund has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

Risks associated with investing in Fixed Income securities:

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

· **Liquidity Risk:** Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold. The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.

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

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

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

·**Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

·**Settlement risk:** The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Schemes’ portfolio due to the extraneous factors that may impact liquidity would result, at times, in potential losses to the Plan, in case of a subsequent decline in the value of securities held in the Schemes’ portfolio.

·**Interest Rate movement (Basis Risk):** The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio.

·**Spread movement (Spread Risk):** In a floating rate security, the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security, this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

Different types of fixed income securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds are comparatively less risky than AA rated bonds.

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

·As zero-coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates and are subject to issuer default risk. Therefore, the interest rate risk of zero-coupon securities is higher. The AMC may choose to invest in zero-coupon securities that offer attractive yields. This may increase the risk of the portfolio. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest.

It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero-coupon securities are generally more volatile than the market prices of securities that pay interest periodically.

Duration Risk: Duration risk refers to the movement in price of the underlying invested money market / debt instruments due to movement/change in interest rates over different durations of maturity of instruments. In a portfolio of debt assets, the duration risk is measured by the average duration of the portfolio. Duration, expressed in years, is used as a measure of the sensitivity of the fixed income instrument to a change in interest rates. Usually, individual duration of fixed income instruments in the portfolio is calculated and the portfolio duration is weighted average of such individual instrument duration. A longer portfolio duration is associated with greater price fluctuations. A rise in interest rates could normally lead to decrease in prices and generally negatively affects portfolios having longer duration vis-a-vis portfolios having shorter duration. A fall in interest rate generally benefits portfolio having longer duration. A longer duration portfolio is also generally associated with greater volatility vis-a-vis a shorter duration portfolio.

Sovereign Risk: Sovereign risk is the likelihood that a government will default on its loan obligation by failing to meet its principal payments or interest. It comes in different forms and may result in losses to investors in addition to negative political consequences. The Central Government of a country is the issuer of the local currency in that country. The Government (Central / State) raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since payment of interest and principal amount has a sovereign status implying no default, such securities are known as securities with sovereign credit. For domestic borrowers and lenders, the credit risk on such sovereign credit is minimal, even lower than a security with “AAA” rating and hence commands a yield, which is lower than a yield on “AAA” security.

Risks associated with investment in unlisted securities:

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

Risks associated with Investing in Derivatives (Equities and Fixed Income):

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 the 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. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counterparty”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. The Scheme may invest in derivative products in accordance with and to the extent permitted under SEBI MF Regulations and by SEBI. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. 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. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Scheme. The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility to the values. The Scheme may face execution risk, whereby the rates seen on the screen may not be the rate at which the ultimate execution of the derivative transaction takes place. The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue. The options buyer’s risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned. Since in case of the Scheme all option positions will have underlying assets, all losses due to price movement beyond the strike price will actually be an opportunity loss. The exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio. Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme. The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counterparty”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Other risks associated with investments in Derivatives are as follows:

- **Valuation Risk:** The risk in valuing the debt & equity derivative products due to inadequate trading data with good volumes. Derivatives with longer duration would have higher risk vis-à-vis the shorter duration derivatives.
- **Mark to Market Risk:** The day-to-day potential for an investor to experience losses from fluctuations in underlying stock prices and derivatives prices.
- **Systematic Risk:** The risks inherent in the capital market due to macro-economic factors like inflation, GDP and global events.
- **Liquidity Risk:** The risks stemming from the lack of availability of derivatives products across different maturities and with various risk appetite.
- **Implied Volatility:** The estimated volatility in an underlying security's price and derivative price.
- **Interest Rate Risk:** The risk stemming from the movement of interest rates in adverse direction. As with all the debt securities, changes in the interest rates will affect the valuation of the portfolios.
- **Counterparty Risk (Default Risk):** Default risk is the risk that losses will be incurred due to the default by the counterparty for over-the-counter derivatives.
- **System Risk:** The risk arising due to failure of operational processes followed by the exchanges and OTC participants for the derivatives trading.

As and when the Scheme trades in the derivatives market, there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. 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. This also includes the risk associated with imperfect hedging.

a) Risk associated with imperfect hedging includes:

- i. **Basis Risk:** The risk arises when the price movements in derivative instrument used to hedge the underlying assets does not match the price movements of the underlying assets being hedged. Such difference may potentially amplify the gains or losses, thus adding risk to the position.
- ii. **Price Risk:** The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- iii. **Risk of mismatch between the instruments:** The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example when IRF which has government security as underlying is used, to hedge a portfolio that contains corporate debt securities.

b) Risk associated with Interest Rate Future (IRF)

An Interest Rate Futures is an agreement to buy or sell a debt instruments at a specified future date at a price that is fixed today. Interest Rate Futures are Exchange Traded and are cash settled. Hedging using Interest Rate Futures can be perfect or imperfect. Perfect hedging means hedging the underlying using IRF contract of same underlying.

- i. Market risk: Derivatives carry the risk of adverse changes in the market price.
- ii. Price Risk-The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- iii. Liquidity risk –This occurs where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.
- iv. Model Risk -The risk of mispricing or improper valuation of derivatives.
- v. Basis Risk –This risk arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged.

The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. Correlation weakening and consequent risk of regulatory breach:

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

c) Risk factors associated with Interest Rate Swaps

Investing in interest rate swaps can involve several risks including but not limited to below risks:

- 1. **Interest Rate Risk:** This is the primary risk, arising from fluctuations in market interest rates. If interest rates move unfavourably, the value of the swap can decrease.
- 2. **Counterparty Risk:** This is the risk that the other party in the swap agreement may default on their payment obligations. This risk can be mitigated through collateral requirements and central clearing.
- 3. **Liquidity Risk:** Interest rate swaps can sometimes be difficult to unwind or sell before their maturity, which can pose liquidity challenges for the mutual fund.
- 4. **Valuation Risk:** Accurately valuing interest rate swaps can be complex and may require sophisticated models and assumptions. Incorrect valuations can lead to mispricing and potential losses.

5. Operational Risk: This includes the risk of errors in the execution, management, or with investment in Tri-Party Repo through settlement of the swap transactions.

Risks related to Arbitrage Strategy:

The primary objective of the Scheme is to identify investment opportunities and to exploit price discrepancies in various markets. Identification and exploitation of the strategies to be pursued by the Fund Manager involve uncertainty. No assurance can be given that fund manager will be able to locate investment opportunities or to correctly exploit price discrepancies in the capital markets. Reduction in mis-pricing opportunities between the cash market and future and options market may lead to lower level of activity affecting the returns. As the Scheme proposes to execute arbitrage transactions in various markets simultaneously, this may result in high portfolio turnover and consequently high transaction cost. In case of a large redemption, the scheme may need to reverse the spot-futures transaction before the date of futures' settlement. This eventuality may lead to the basis risk. While reversing the spot-futures transaction on the Futures & Options settlement day on the Exchange, there could be a risk of volume weighted average-price of the market being different from the price at which the actual reversal is processed. This may result in basis risk. On the date of expiry, when the arbitrage is to be unwound, it is not necessary for the stock price and its future contract to coincide. There could be a discrepancy in their prices even a minute before the market closes. Thus, there is a possibility that the arbitrage strategy gets unwound at different prices.

Risk Associated with investment in Instruments having Special Features

Credit Risk / Principal at Risk: Instruments such as AT1 and AT2 bonds are unsecured and subordinated. The issuer has the option to write off the principal in times of severe financial stress. Investors have no recourse or only limited recourse to recover their investment if the principal is written off. These bonds may also be converted into equity upon the occurrence of certain pre-defined trigger events. The Central Bank may instruct the issuer to write down the entire value of outstanding AT1 or AT2 bonds if it determines that the bank has reached the Point of Non-Viability (PONV) or requires capital infusion to remain a going concern. Additionally, interest payments—especially on AT1 bonds—may be skipped under certain conditions and are non-cumulative, meaning they cannot be recovered later.

Interest Rate Risk: Instruments without a defined maturity may yield lower returns in a rising interest rate environment, leading to opportunity loss.

Liquidity Risk: There is no assurance that the bondholder will receive the principal on the call date, as the issuer may choose to extend the bond's tenure. While these bonds can be sold in the secondary market, they may trade at a discount to the purchase price. Moreover, some of these bonds are thinly traded, making it difficult to find buyers.

Risk associated with investing in Securitised Debt

A securitization transaction involves sale of receivables by the originator (a bank, non-banking finance company, housing finance company, microfinance companies or a manufacturing/service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by selling his loan receivables to an SPV, receives consideration from investors much before the maturity of the underlying loans. Investors are paid from the collections of

the underlying loans from borrowers. Typically, the transaction is provided with a limited amount of credit enhancement (as stipulated by the rating agency for a target rating), which provides protection to investors against defaults by the underlying borrowers. Generally available asset classes for securitization in India are:

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

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

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

The Scheme aims to provide reasonable returns to investors with a long-term investment horizon. Securitized debt instruments are relatively illiquid in the secondary market and hence they are generally held to maturity which would match with the long-term investment horizon of these investors. Investment in these instruments may help the fund in aiming at reasonable returns. These returns come with a certain degree of risks which are covered separately in the Scheme Information Document. Accordingly, the medium risk profile of the securitized debt instruments matches that of the prospective investors of these schemes.

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

Risk mitigation strategies for investments with each kind of originator

For a complete understanding of the policy relating to selection of originators, the AMC has first analyzed below risks attached to a securitization transaction.

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

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

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

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

(1) Assessment by a Rating Agency

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

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

Asset risk
Originator risk
Portfolio risk
Pool risks

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

Counterparty Risk

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

Servicer risk
Commingling risk
Miscellaneous other counterparty risks

Legal Risks

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

Market Risks

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

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

Other Risks associated with investment in securitized debt and mitigation measures:

Limited Liquidity and Price Risk

There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them. Risk Mitigation: Securitized debt instruments are relatively illiquid in the secondary market and hence they are generally held to maturity. The liquidity risk and HTM nature is taken into consideration at the time of analyzing the appropriateness of the securitization.

Limited Recourse, Delinquency and Credit Risk

The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

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

Risks due to possible prepayments: Weighted Tenor / Yield

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contract may arise under any of the following circumstances; o Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or o Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or o The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same o In the event of prepayments, investors may be exposed to changes in tenor and yield.

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

Bankruptcy of the Originator or Seller

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale, then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a “True Sale”. Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale. Risk Mitigation: Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'. It is also in the interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.

Bankruptcy of the Investor's Agent

If Investor's agent becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal opinion is normally obtained to the effect that the Investors Agent's recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

Risk Mitigation: All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent

Risk of Co-mingling

With respect to the Certificates, the Servicer will deposit all payments received from the Obligor into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

(2) Assessment by the AMC

· Track record

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

· **Willingness to pay**

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

· **Ability to pay**

This assessment is based on a strategic framework for credit analysis, which entails a detailed financial risk assessment. Management analysis is used for identifying company specific financial risks. One of the most important factors for assessment is the quality of management based on its past track record and feedback from market participants. In order to assess financial risk a broad assessment of the issuer's financial statements is undertaken to review its ability to undergo stress on cash flows and asset quality. Business risk assessment, wherein following factors may be considered: o Outlook for the economy (domestic and global) o Outlook for the industry o Company specific factors. In addition, a detailed review and assessment of rating rationale is done including interactions with the company as well as agency

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

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

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

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

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

Characteristics/Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Micro Finance Pools	Personal Loans
Maximum single exposure range	4-5%	3-4%	NA (Retail Pool)	NA (Retail Pool)	NA (Very Small Retail loan)	NA (Retail Pool)
Average single exposure range %	0.5%-3%	0.5%-3%	<1% of the Fund size	<1% of the Fund size	<1% of the Fund size	<1% of the Fund size

Notes:

1. Retail pools are the loan pools relating to Car, 2 wheelers, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.

2. Information illustrated in the Tables above, is based on the current scenario relating to Securitized Debt market and is subject to change depending upon the change in the related factors.

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

4. Majority of our securitized debt investments shall be in asset backed pools wherein the AMC may have underlying assets as Medium and Heavy Commercial Vehicles, Light Commercial Vehicles (LCV), Cars, and Construction Equipment etc. Where the AMC invests in Single Loan Securitization, as the credit is on the underlying issuer, the AMC focuses on the credit review of the borrower.

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

- Size of the Loan
- Average Original Maturity of the Pool
- Delinquency Distribution
- Geographical Distribution
- Loan to Value Ratio
- Average seasoning of the pool

Risk Tranching

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

The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund

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

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

The risk assessment process for securitized debt, as detailed in the preceding paragraphs, is similar to any other credit. The investments in securitized debt are done after appropriate research. The ratings are monitored for any movement.

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

Risk factors associated with investment in unrated securities

The Scheme may invest in unrated securities as permitted under regulation. Investment in unrated securities involve a risk of default or decline in market value higher than rated instruments due to adverse economic and issuer-specific developments. Such investments display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for unrated investments tends to be more volatile and such securities tend to be less liquid than rated debt securities

Risks Associated with Securities Lending and short selling

As with other forms of credit extension, securities lending carries inherent risks, including the possibility that the counterparty, in this case the approved intermediary, may fail to fulfill the terms of the agreement with the Scheme, which is the lender of the securities. Such a failure could result in the potential loss of rights to the collateral provided by the borrower, the inability of the approved intermediary to return the securities lent by the Scheme, and the potential loss of any benefits accruing to the lender from those securities. A loss situation can arise in case the borrower of the security goes bankrupt. Additionally, the Scheme may face temporary illiquidity and loss of investment opportunities if it is unable to sell the lent-out securities.

The Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. Short selling of securities (i.e. sale of securities without owning them) entails the risk of the security price going up there by decreasing the profitability of the short position. Short selling is subject to risks related to fluctuations in market price, and settlement/liquidity risks.

Risk Factors associated with schemes investing in Gilt Securities

Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in prices is a function of the existing coupon, days to maturity and the increase or decrease in interest rates. Price risk is not unique to government securities but is true for all fixed income securities. The default risk, however, in respect of Government securities is zero. Therefore, their prices are influenced only by movement in interest rates in the financial system. On the other hand, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced by credit standing of the issuer as well as the general level of interest rates. Even though the Government securities market is more liquid compared to other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through.

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

In addition to the risk factors associated with debt instruments, below are the risks factors for the Structured Obligations & Credit Enhancement:

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

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

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

- Credit Risk: The credit risk of debt instruments which are CE rated derives rating based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk,

inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore, apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

Risks Associated with Investing in other Mutual Fund Schemes

Investing in mutual funds involves risks, including the potential impact of fluctuations in the Net Asset Value (NAV) of the underlying funds on the Scheme's performance. Changes in the investment strategies, objectives, or fundamental attributes of these funds can also affect the performance of the Scheme. Additionally, any redemptions from these funds may be subject to exit loads, which could further impact returns. Furthermore, the underlying funds may carry specific risks related to their own portfolios, such as market, credit, or liquidity risks, which may indirectly affect the Scheme's overall risk profile.

Risks Associated with Repo Transactions in Corporate Debt Securities

The Scheme may be exposed to counterparty risk in the event that the counterparty fails to honor its obligations under a repurchase agreement (repo). This risk arises when the counterparty does not repurchase the securities at the agreed-upon price and time, potentially leading to financial losses for the Scheme. However, in repo transactions, the risk is mitigated by the underlying collateral provided by the counterparty. In the event of default, the Scheme can sell the collateral to recover the repo amount. A loss would only be realized if the sale price of the collateral is lower than the amount lent in the repo transaction.

Over-collateralization is a strategy that is used to further reduce risk. The value of the collateral provided by the counterparty exceeds the amount of the repo. This cushion provides additional protection against potential declines in the collateral's value, ensuring that the Scheme has adequate security even in adverse market conditions. This approach helps safeguard the scheme's assets and mitigate the impact of any counterparty default.

Risks associated with segregated portfolio

Investors should be aware that while the creation of a segregated portfolio is intended to isolate distressed or illiquid assets in exceptional situations such as credit events or issuer defaults, it comes with its own set of risks:

Limited Liquidity: Units in a segregated portfolio may have limited liquidity, as they are typically not available for subscription or redemption. Investors holding such units may face difficulties in exiting their investments until the underlying assets are recovered or resolved.

Valuation Uncertainty: The valuation of assets in a segregated portfolio may fluctuate due to their illiquid or distressed nature. As a result, the NAV of the segregated portfolio may be highly volatile, and there is no assurance that the portfolio will recover its full value over time.

Recovery Risk: There is no guarantee that the segregated assets will recover their value or that any recovery will occur within a specified timeframe. In certain cases, the realization of value may take an extended period, or there may be no recovery at all, resulting in potential losses for investors.

Credit and Default Risk: Segregated portfolios are typically created in response to credit events or issuer defaults. As such, the assets in the portfolio may continue to carry a high degree of credit risk, including the possibility of further downgrades, defaults, or adverse actions affecting the underlying securities.

Market and Legal Risks: The resolution of segregated portfolio assets may be influenced by legal, regulatory, or market conditions. Unfavorable changes in the legal environment or prolonged market disruptions may further delay or reduce the recovery of the segregated assets.

Investors are strongly advised to consult their financial advisors and carefully consider the associated risks before making any investment decisions related to schemes that may create segregated portfolios in the event of a credit event or other exceptional circumstances.

Risk factors associated with investment in Tri-Party Repo

All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus, reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute 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 settling transactions routed through CCIL).

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus, the Scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

CCIL shall maintain 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 trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

Risks associated with Passive Breach of Investment Limits

The Scheme's portfolio may inter alia passively breach prescribed investment limits due to external factors such as market fluctuations, corporate actions (e.g., mergers), or significant investor redemptions, and not due to a new investment by the AMC. In such an event, the AMC will take corrective action to rebalance the portfolio within the timeline stipulated by SEBI and will refrain from making further investments in the specific security or sector until the breach is rectified.

Other Scheme Specific Risk factors:

- a) As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme. In view of the above, limits on redemptions (including suspending redemptions) may be invoked under certain circumstances, as described under 'Restrictions on Redemptions of Units' under Other Scheme Specific Disclosures section. Any Redemption or suspension of Redemption of the Units in the scheme(s) of the Fund shall be implemented only after prior approval of the Board of Directors of the AMC and Trustee Company and subsequently informing the same to SEBI immediately.

- b) Although, the objective of the Fund is to generate optimal returns, the objective may or may not be achieved. The investors may note that if the AMC/Investment Manager is not able to make right decision regarding the timing of increasing exposure in debt securities in times of falling equity market, it may result in negative returns. Given the nature of scheme, the portfolio turnover ratio may be on the higher side commensurate with the investment decisions and Asset Allocation of the Scheme. At times, such churning of portfolio may lead to losses due to subsequent negative or unfavorable market movements.
- c) Credit And Rating Downgrade Risk, Prepayment and Foreclosures Risk for Senior PTC (Pass Through Certificate) Series, Prepayment and Foreclosures Risk for Senior PTC Series, Servicing Agent Risk, Co-mingling Risk, and Bankruptcy of the Seller.
- d) The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- e) Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.
- f) Investment decisions made by the AMC may not always be profitable, even though it is intended to generate capital appreciation and maximize the returns by actively investing in equity and equity related securities.
- g) The tax benefits available under the scheme are as available under the present taxation laws and are available only to certain specified categories of investors and that is subject to fulfillment of the relevant conditions. The information given is included for general purposes only and is based on advice that the AMC has received regarding the law and the practice that is currently in force in India and the Investors should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor is advised to consult his/her own professional tax advisor.

Risk mitigation strategies:

The Scheme by utilizing a holistic risk management strategy will endeavor to manage risks associated with investing in equity and debt markets. The risk control process involves identifying & measuring the risk through various risk measurement tools. The Scheme has identified following risks of investing in equity and debt securities and designed risk management strategies, which are embedded in the investment process to manage such risks:

Risks associated with Equity investment	
Risk	Risk Mitigation Strategy
Market Risk The scheme is vulnerable to movements in the prices of securities invested by the scheme, which	Market risk is a risk which is inherent to an equity scheme. The Scheme may use derivatives to limit this risk.

Risks associated with Equity investment	
Risk	Risk Mitigation Strategy
could have a material bearing on the overall returns from the scheme.	
Liquidity risk The liquidity of the scheme's investments is inherently restricted by trading volumes in the securities in which it invests.	As such the liquidity of stocks that the fund invests into could be relatively low, the fund will try to maintain a proper asset-liability match to ensure redemption / Maturity payments are made on time and not affected by illiquidity of the underlying stocks
Concentration Risk Concentration risk represents the probability of loss arising from heavily lopsided exposure to a particular group of sectors or securities	The Scheme may try and mitigate this risk by investing in large number of companies so as to maintain optimum diversification and keep stock-specific concentration risk relatively low
Derivatives Risk As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds.	The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Derivatives will be used in the form of Index Options, Index Futures, Stock Options and Stock Futures and other instruments as may be permitted by SEBI. All derivatives trade will be done only on the exchange with guaranteed settlement. Fund managers will endeavor to use derivatives which are relatively liquid and traded frequently on the exchanges. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. No OTC contracts will be entered into.
Liquidity Risk for Arbitrage Trades In case of Arbitrage trades, under abnormal circumstances it will be difficult to square off the transaction due to liquidity being poor in the underlying stock, stock futures or options market.	The Scheme will aim at taking exposure only into liquid stocks/derivatives where there will be minimal risk to square off the transaction.

Risks associated with Debt investment	
Risk	Risk Mitigation Strategy
Market Risk As with all debt securities, changes in interest rates may affect the scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.	The Scheme will undertake the active portfolio management as per the investment objective to reduce the market risk. In a rising interest rates scenario the Scheme may increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer maturity may be increased thereby mitigating risk to that extent.
Liquidity or Marketability Risk	The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities,

Risks associated with Debt investment	
Risk	Risk Mitigation Strategy
This refers to the ease with which a security can be sold at or near to its valuation Yield -To- Maturity (YTM).	money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. Liquidity risk is today characteristic of the Indian fixed income market. The fund will however, endeavor to minimise liquidity risk by investing in securities having a liquid market.
Credit Risk Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security).	Management analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken
Reinvestment Risk This risk refers to the interest rate levels at which cash flows received from the securities in the scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.	Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.
Derivatives Risk As and when the scheme trades in the derivatives market, there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	The Scheme has provision for using derivative instruments for portfolio rebalancing and hedging purposes. Interest Rate Swaps will be done with approved counter parties under pre-approved ISDA agreements. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines.

II. Information about the scheme:

A. Where will the scheme invest?

The corpus of the Scheme shall be invested in accordance with the investment objective in any (but not exclusively) of the following securities:

- a) Equity share is a security that represents an ownership interest in a company. It is issued to those who have contributed capital in setting up an enterprise.
- b) Equity Related Instruments are securities that give the holder of security the right to receive equity shares on pre agreed terms. It includes convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and such other instruments as may be specified by the Board from time to time.
- c) Money Market Instruments include but not limited to Commercial Paper, Commercial Bills, Certificates of Deposit, Treasury Bills, Bills Rediscounting, Triparty Repo, Repo/ Reverse repo in government securities, Government securities with an unexpired maturity upto 1 year, Call or notice money, Usance Bills, and any other short-term instruments allowed under current Regulations.

Certificate of Deposits (CDs): CD is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year, whereas, in case of FIs, maturity is between one year to 3 years from the date of issue. CDs may be issued at a discount to face value.

A Commercial Bill is a short-term, negotiable instrument (also known as a bill of exchange) used by firms to finance their working capital, typically arising from sales on credit.

Commercial Paper (CPs): CP is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and all India Financial Institutions as an alternative source of short term borrowings. They are issued at a discount to the face value as may be determined by the issuer. CP is traded in secondary market and can be freely bought and sold before maturity.

Bills Re-discounting is an instrument where a financial institution discounts the bills of exchange that it has discounted previously with another financial institution.

A Usance bill is a financial instrument where payment is not due immediately, but rather at a predetermined future date.

- d) Debt Instruments include but not limited to non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bond / notes, Non-Convertible Preference Shares (NCPS), etc. 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.
- e) Cash and cash equivalents

- f) Units of Mutual Fund- 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.
- g) Derivative is a financial instrument whose value is based upon the value of an underlying instruments. Derivative instruments include but not limited to Futures & Options, Interest Rate Swaps, Interest Rate Futures, Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI from time to time.
- Futures - Futures Contract means a legally binding agreement to buy or sell the underlying security / indices on a future date at an agreed price.
 - 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.
 - Interest Rate Swap: An Interest Rate Swap (IRS) is a financial contract between two parties exchanging or swapping a stream of interest payments for a “notional principal” amount on multiple occasions during a specified period. Such contracts generally involve exchange of a “fixed to floating” or “floating to fixed rate” of interest. Accordingly, on each payment date that occurs during the swap period, cash payments based on fixed/ floating and floating rates are made by the parties to one another.
 - Forward Rate Agreement: A Forward Rate Agreement (FRA) is a financial contract between two parties to exchange interest payments for a ‘notional principal’ amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date, cash payments based on contract (fixed) and the settlement rate, are made by the parties to one another. The settlement rate is the agreed benchmark/ reference rate prevailing on the settlement date.
 - Interest Rate Futures: A futures contract is a standardized, legally binding agreement to buy or sell a commodity or a financial instrument in a designated future month at a market determined price (the futures price) by the buyer and seller. The contracts are traded on a futures exchange. An Interest Rate Future is a futures contract with an interest bearing instrument as the underlying asset.
- h) Securities issued by Government of India. Repos/reverse repos in Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).

Repo

As per Section 45U (c) of RBI Act, 1934, “repo” means an instrument for borrowing funds by selling securities with an agreement to repurchase the securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed.

Reverse repo

As per Section 45U (c) of RBI Act, 1934, “reverse repo” means an instrument for lending funds by purchasing securities with an agreement to resell the securities on a mutually agreed future date at an agreed price which includes interest for the funds lent.

Triparty Repo

According to Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018, triparty repo means a repo contract where a third entity (apart from the borrower and lender), called a Triparty 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.

- i) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).

A Government Security (G-Sec) is a tradeable instrument issued by the Central Government or the State Governments of India. It acknowledges the Government’s debt obligation. They are generally long term with maturity of one year or more. In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs). G-Secs carry practically no risk of default and, hence, are called risk-free gilt-edged instruments. Repos / Reverse Repos enables collateralized short-term borrowing and lending through sale/purchase operations in such government securities.

- j) Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- k) Securitised Debt Obligations including but not limited to Pass through certificates, asset-backed securities, mortgage-backed securities
- l) Repo / Reverse Repo transactions in corporate debt securities
- m) Short Term Deposits are offered by Scheduled Commercial Banks (both public and private sector banks) with a fixed/floating interest rate and maturity date.
- n) Debt Instruments with special features (AT1 and AT2 Bonds)

Additional Tier 1 (AT1) bonds are a type of perpetual bonds. Banks use these bonds to increase their core equity base. AT1 bonds never mature, implying that the bond issuers will never repay the principal. However, banks pay regular interest. But, if the bank’s capital ratio falls below a specific percentage or if the bank is making losses, the interest payments can be skipped.

Banks issue Subordinated Tier 2 bonds to meet their Tier 2 capital requirements. These have to be for a minimum period of 5 years at the time of issue. They are unsecured and subordinated in claims to depositors, unsecured creditors and senior bonds of the bank.

- o) Debt Instruments with SO / CE rating Debt instruments with Structured Obligation (SO) or Credit Enhancement (CE) ratings are bonds or loans that have been enhanced with additional credit support to reduce default risk. SO ratings indicate that the instrument's creditworthiness is improved through structural mechanisms like collateral, guarantees, or insurance. CE ratings signify that external support, such as a third-party guarantee or letter of credit, bolsters the instrument's credit profile. These enhancements provide greater security to investors, often resulting in higher credit ratings and lower interest rates compared to non-enhanced debt instruments.
- p) Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time
- q) Any other instruments / securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations

The Fund Manager reserves the right to invest in any other securities that may be permitted from time to time and that align with the Scheme's investment objectives. Any change in the asset allocation affecting the investment profile of the Scheme will be effected only in accordance with SEBI (Mutual Funds) Regulations.

Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, secured, unsecured and of varying maturity. The securities may be acquired through public offer, secondary market operations, private placement, rights issue or negotiated deals. Further, the Scheme intend to participate in securities lending/short selling as permitted under the Regulations. The Scheme may also enter into repurchase and reverse repurchase in various securities as per the guidelines and regulations applicable to such transactions.

Debt Markets in India:

What is a Debt Instrument?

A Debt Instrument is a borrowing obligation which the borrower has to service for mutually agreed period and rate of interest.

There are a huge variety of debt or fixed income instruments, as they are usually called. The sheer variety in these instruments mean that they can be classified on the basis of any of these features.

List of Features (list is indicative)

- Face Value: Stated value of the paper /principal amount
- Coupon: Zero, fixed or floating
- Frequency: Semi-annual; annual, sometimes quarterly or monthly
- Maturity: Bullet, staggered
- Redemption: Face Value; premium or discount
- Options: Call/Put Issue Price: Par (Face Value) or premium or discount.

List of Debt Market Instruments: The Indian Debt market comprises of the Money Market and Debt Market. Money market instruments are Commercial Papers (CPs), Certificates of Deposit (CDs), Treasury bills (T-bills), Repos, Inter-bank Call money deposit, Reverse Repo and TREPS etc. Money market instruments have a tenor of less than one year while debt market instruments typically have a tenor of more than one year. Debt market in India comprises mainly of two segments viz., the Government securities market and the corporate securities market.

Government securities include central, state and quasi govt issues. The main instruments in this market are dated securities (fixed or floating) and Treasury bills (Discounted Papers). These securities are generally issued through auctions on the basis of 'uniform price' method or 'multiple price' method.

Corporate Debt segment on the other hand includes bonds/debentures issued by private corporates, public sector units (PSUs), public financial institutions (PFIs) and development financial institutions (DFIs). These instruments carry a variety of ratings based on the credit profile evaluated by the rating agency and are priced accordingly. These bonds too can be fixed or floating.

Debt derivatives market comprises mainly of Forward Rate Agreements, Interest rate Futures, Interest rate Swap. Banks and corporates are major players here and of late mutual funds have also started hedging their exposures through these products.

The following table gives approximate yields prevailing during the 30-day period ending December 3, 2025, on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro-economic conditions and RBI policy.

Instrument	Yield Range (% per annum)
Interbank Call Money	5.35 (WAR)
91 Day Treasury Bill	5.32-5.35
364 Day Treasury Bill	5.52-5.54
A1 + Commercial Paper 90 Days	6.15-6.20
5 Year Government of India Security	6.21-6.24
10 Year Government of India Security	6.50-6.53
15 Year Government of India Security	6.90-6.94
1 Year Corporate Bond - AAA Rated	6.60-6.63
3 Year Corporate Bond - AAA Rated	6.72-6.75
5 Year Corporate Bond - AAA Rated	6.83-6.86

Source: Bloomberg. *WAR – weighted average rate

These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macroeconomic conditions and RBI policy. The price and yield on various debt instruments fluctuate from time to time depending upon the macroeconomic situation, inflation rate, overall liquidity position, foreign exchange scenario etc.

B. What are the investment restrictions?

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

- The Fund under all its schemes shall not own more than 10% of any company's paid-up capital carrying voting rights. Provided that investment in asset management company or the trustee company of a mutual fund shall be governed by clause (a) sub-regulation (1) of regulation 7B of the Regulations.
- The Scheme shall not invest more than 10% of its NAV in equity shares or equity related instruments of any company.
- All investments by the Scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
- 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 Board of Directors of the AMC.

The Scheme shall not invest more than:

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

The above investment limits may be extended by up to 2% of the NAV of the Scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit.

Note:

- i. 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 CRAs between short term and long-term ratings, the most conservative long term rating shall be taken for a given short term rating.
- ii. Exposure to government money market instruments such as TREPS on G-Sec/ T-bills shall be treated as exposure to government securities.

Provided that such limit shall not be applicable for investments in Government Securities, Treasury Bills and Tri-party Repos on Government securities or treasury bills TREPS.

Provided further that investment within such limit can be made in mortgaged backed securitized debts which are rated not below investment grade by a credit rating agency registered with SEBI

- The Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments. However, the Scheme may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the Scheme subject to such conditions as may be Additionally, the norms for investments by the Scheme in unrated debt instruments shall be specified by SEBI from time to time.

Note:

a) Provision no. 12.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024, has issued following guidelines w.r.t. investment in unlisted debt & unrated money market instruments.

b) The Scheme may invest in unlisted non-convertible debentures (NCDs) that 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.

Investment restrictions as given below: -

a) Maximum investment in unlisted NCDs will be 10 % of the debt portfolio of the Scheme

b) 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 the Scheme shall be subject to the following:

- I. 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.
- II. Exposure of the Scheme in such instruments, shall not exceed 5% of the net assets of the Scheme.
- III. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

- The investment of the Scheme in the following instruments as per para 12.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024, shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme:

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

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

The above limits shall not be applicable on investments in securitized debt instruments. Investment by the Scheme in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares. Further, the investment in debt instruments having credit enhancements should be sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMCs will initiate necessary steps to ensure protection of the interest of the investors.

- The Scheme shall not invest more than 5% of its net assets in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. All such investments shall be made with the prior approval of the Board of Trustees and the Board of AMC. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
- The Scheme may invest in another scheme under the AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same

management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund.

- The Scheme 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. The Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. Further, the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI. Additionally, the sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by RBI in this regard.
- The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
- The Scheme shall not make any investment in any unlisted security of an associate or Group Company of the sponsors; or any security issued by way of private placement by an associate or group company of the sponsors; or the listed securities of group companies of the sponsors which is in excess of 25% of the net assets
- Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if:
 - (a) such transfers are done at the prevailing market price for quoted instruments on spot basis. Explanation – “spot basis” shall have same meaning as specified by stock exchange for spot transactions.
 - (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

The AMC shall comply with the guidelines issued under SEBI Master Circular for Mutual Funds dated June 27, 2024, and such other guidelines as may be notified from time to time.

- The Scheme shall not make any investment in any fund of funds scheme.

Limits for investment in derivatives instruments

In accordance with Para 7.5 and 12.25 of SEBI Master Circular for Mutual Funds 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 for Mutual Funds 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, equity-related instruments, debt and money market instruments, repo / reverse repo in corporate debt securities, derivative positions (equity and fixed income derivatives), units of mutual funds, securitized debt, instruments with special features, credit enhancement and structured Obligations and such other securities/assets as may be permitted by SEBI from time to time subject to regulatory approvals, if any should not exceed 100% of the net assets of the Scheme as per Clause 12.24 of SEBI Master Circular for Mutual Funds dated June 27, 2024.
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 counterparty 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:

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

Writing of Covered Call Options by Mutual Fund Schemes

- Mutual Fund schemes (except Index Funds and ETFs) may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

- The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.
- The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
- At all points of time the Mutual Fund scheme shall comply with the provisions at paragraph (a) and (b) above. In case of any passive breach of the requirement at paragraph (a), the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.
- In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.
- In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
- The premium received shall be within the requirements prescribed in terms of Para 12.25 of SEBI Master Circular for Mutual Funds dated June 27, 2024 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
- The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of Para 12.25 of SEBI Master Circular for Mutual Funds dated June 27, 2024.
- The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the scheme until the position is closed or expired.

As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

- 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 provision no. 12.16 of SEBI Master Circular on Mutual Fund dated June 27, 2024.
 - a. The term 'short term' for parking of funds shall be treated as a period not exceeding 91 days.
 - b. Such deposits shall be held in the name of each Scheme.
 - c. Each Scheme shall not park more than 15% of its net assets in the short-term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
 - d. Each Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
 - e. Trustees /AMC will ensure that no funds of a scheme is parked in short term deposit of a bank which has invested in that scheme and the bank in which a scheme has short term deposit do not invest in that scheme until the scheme has short term deposit with such bank.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market.

- The Scheme will not advance any loan for any purpose.
- The Scheme shall not borrow except to meet temporary liquidity needs of the Mutual Fund for the purpose of repurchase/ redemption of Units or payment of interest or dividend to the Investors. Such borrowings shall not exceed more than 20% of the net assets of the individual scheme and the duration of the borrowing shall not exceed a period of 6 months.
- Conditions for undertaking repo in corporate debt securities: i. The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities including Commercial Papers (CPs) and Certificate of Deposits (CDs) shall not be more than 10 % of the net assets of the concerned scheme . ii. The cumulative gross exposure through equity, equity-related instruments, debt and money market instruments, repo / reverse repo in corporate debt securities, derivative positions (equity and fixed income derivatives), units of mutual funds, securitized debt, instruments with special features, credit enhancement and structured Obligations and such other securities/assets as may be permitted by SEBI from time to time subject to regulatory approvals, if any should not exceed 100% of the net assets of the Scheme as per Clause 12.24 of SEBI Master Circular for Mutual Funds dated June 27, 2024. iii. The scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months. iv. The exposure limit/investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate debt securities. v. Counterparty selection & credit rating:
Mutual funds shall participate in repo transactions on following Corporate Debt securities; 1) listed AA and above rated corporate debt securities and 2) Commercial Papers (CPs) and Certificate of Deposits(CDs). • Mutual funds shall ensure compliance with the Seventh Schedule of the Mutual Funds Regulations about restrictions on investments, wherever applicable, with respect to repo transactions in corporate debt securities including Commercial Papers(CPs) and Certificate of Deposits(CDs). However, for transactions where settlement is guaranteed by a Clearing Corporation, the exposure shall not be considered for the purpose of determination of investment limits for single issuer, group issuer and sector level limits.
- The Mutual Fund/AMC shall make investment out of the NFO proceeds only on or after the closure of the NFO period. The Mutual Fund/ AMC can however deploy the NFO proceeds in Tri-Party Repo before the closure of NFO period. However, AMCs shall not charge any investment management and advisory fees on funds deployed in Tri-party Repo during the NFO period. The appreciation received from investment in Tri-Party Repo shall be passed on to investors
- Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable to debt instruments under clause 1 and 1 A of the VII Schedule to the regulations.
- As per clause 12.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024 , as amended from time to time, no Mutual Fund under all its schemes shall own more than 10% of instruments issued by a single issuer in debt instruments with special features such as subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption (“hereinafter referred to as “perpetual debt instruments”). Further, a Mutual Fund scheme shall not invest - a) more than 10% of its NAV of the debt portfolio of the scheme in perpetual debt instruments; and b) more than 5% of its NAV of the debt portfolio of the scheme in perpetual debt instruments issued by a single issuer. The limit mentioned at a) and b) above shall be within the overall limit for debt instruments issued by a single issuer and other prudential limits with respect to the debt instruments.

- As per Clause 12.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the investment limits of mutual funds in Instruments with Special Features such as AT1 and AT2 Bonds shall be as under:
 - a) No Mutual Fund under all its schemes shall own more than 10% of such instruments issued by a single issuer;
 - b) A Mutual Fund scheme shall not invest
 - i. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
 - ii. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

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

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

The Scheme will comply with SEBI regulations and any other regulations applicable to the investments of Funds from time to time.

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

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

C. Fundamental Attributes

Following are the Fundamental Attributes of the Scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated June 27, 2024:

- (i) **Type of a scheme:** Please refer to point no. III of 'Part I. Highlights/Summary of the Scheme'.
- (ii) **Investment Objective:** Please refer to point no. V of 'Part I. Highlights/Summary of the Scheme' and point no. A of 'Part II. Information about the Scheme'.
- (iii) **Terms of Issue**

- **Liquidity provisions such as listing, repurchase, redemption:**

Being an open-ended Scheme under which sale and repurchase of Units will be made on continuous basis by the Mutual Fund, the Units of the Scheme are generally not proposed to be listed on any stock exchange. However, the AMC / Trustees may at its sole discretion, list the Units under the Scheme on one or more stock exchanges at a later date, if deemed necessary. For details on repurchase, redemption, please refer section 'Other Scheme Specific Disclosures'.

- **Aggregate fees and expenses charged to the scheme:**

The provisions in respect of fees and expenses are as indicated in this SID. Please refer to section "Part III - Other Details".

- **Any safety net or guarantee provided:**

This Scheme is not a guaranteed or an assured return scheme.

In accordance with Regulation 18(15A) and 25 of the SEBI (MF) Regulations and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the Trustees and AMC shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Investors is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication about the proposed change is sent to each Investor and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Investors are given an option for a period of at least 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

D. Index methodology (for index funds, ETFs and FOFs having one underlying domestic ETF)

Not Applicable.

E. Principles of incentive structure for market makers (for ETFs)

Not Applicable.

F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024 (only for close ended debt schemes)

Not Applicable.

G. Other Scheme Specific Disclosures:

Listing and transfer of units	<p>The Scheme is an open ended scheme and will not be listed on any of the stock exchanges. However, the AMC may, at its discretion, list the Units under the Scheme on one or more stock exchange at a later date.</p> <p>The Units of the Scheme in demat form can be transferred in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time and as stated in Clause 14.4.4 of SEBI Master Circular for Mutual Funds dated June 27, 2024. Further, for the procedure of release of lien, the investors shall contact their respective Depository Participant.</p> <p><u>Transfer of Units held in Non-Demat [Statement of Account ('SOA') Mode]:</u></p> <p>Additions / deletion of names will not be allowed under any folio of the Scheme except the following categories:</p> <ol style="list-style-type: none">If a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence.surviving joint holder, who wants to add new joint holder (s) in the folio upon demise of one or more joint unitholder (s).Nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee;a minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s). <p>Redemption of the transferred units shall be subject to cooling period of 10 business days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently.</p> <p>Please refer SAI for further details.</p>
--------------------------------------	---

Dematerialization of units	<p>The applicants are given an Option to subscribe to/hold the units by way of an Account Statement or in Dematerialized ('Demat') form.</p> <p>The applicants intending to hold Units in demat mode would be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and would be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units during the NFO.</p> <p>In case, the Investor desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in Account Statement (non- demat) mode into electronic (demat) form or vice-versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participant(s). Investors should ensure that the combination of names in the account statement is the same as that in the demat account.</p> <p>For further details, please refer SAI.</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.)	INR 10,00,00,000 (Rupees Ten Crores)
Maximum Amount to be raised (if any)	Not Applicable
Dividend (IDCW) Policy	<p>The Scheme is currently not offering IDCW option.</p> <p>However, the said option may be introduced at later date.</p>
Allotment (Detailed procedure)	<p>All Applicants whose monies towards purchase of Units have been realised by the Fund on or before the allotment date, will receive a full and firm allotment of Units, provided also the applications are complete in all respects and are found to be in order. Any application for subscription of Units may be rejected if found invalid or incomplete.</p> <p>For applicants applying through 'APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA)', during NFO, under the Demat mode, on or before allotment, the amount will be unblocked in their respective bank accounts and account will be debited only to the extent required to pay for allotment of Units applied in the application form.</p> <p>Units will be allotted up to 3 decimals. Face Value per Unit of all Plans/ Options under the Scheme is INR 10/-.</p>

	<p>Post-NFO, on an ongoing basis, units will be allotted for purchases, switch-ins, and SIP installments at the applicable NAV (subject to applicable cut-off timings and realization of funds).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds and their holding at the end of the month shall be sent to the Investors in whose folios transactions have taken place during the month by email on or before the 12th day of the succeeding month and by physical means on or before the 15th day of the succeeding month.</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>Investors have the option to hold units in dematerialized (demat) form. Allotment in demat form will be made within 2 working days from the date of receipt of all necessary documents and realization of funds. Investors must provide their DP ID and Client ID along with relevant supporting documents while applying under the demat mode.</p> <p>Note: Allotment of Units will be done after deduction of applicable stamp duty and statutory charges, if any. Applicants under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form. Accordingly, the AMC shall allot Units either in physical form (i.e. account statement) or in dematerialized form within 5 Business Days from the date of closure of the NFO period.</p>
Refund	<p>The Fund will refund the application money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. Refund instruments will be dispatched within 5 business days of the closure of NFO period. In the event of delay beyond 5 business days, the AMC shall be liable to pay interest at 15% per annum or such other rate of interest as maybe prescribed from time to time.</p> <p>The bank and/ or collection charges, if any, will be borne by the applicant.</p> <p>Refunds may be made through electronic modes such as RTGS, NEFT, Direct Credits or through Cheques as applicable.</p>
<p>Who can invest</p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>The following persons are eligible and may apply for subscription to the Units of the Scheme (subject, wherever relevant, to subscription of Units of Mutual Fund being permitted under relevant statutory regulations):</p> <ul style="list-style-type: none"> • Resident Indian adult individual either singly or jointly (not exceeding three) • Minor through parent/lawful guardian • Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860 (so long

	<p>as the subscription of units is permitted under their respective constitutions)</p> <ul style="list-style-type: none"> • Religious and Charitable Trusts under the provisions of Section 11(5)(xii) of the Income Tax Act, 1961 read with Rule 17C of Income-tax Rules, 1962 • Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds. • Partnership Firms • Hindu Undivided Family (HUF) through Karta; • Proprietorship in the name of the sole proprietor • Banks and Financial Institutions • Non-resident Indians (NRI)/Persons of Indian Origin (PIO)/Overseas Citizen of India (OCI) residing abroad on full repatriation basis or on non repatriation basis • Army, Air Force, Navy and other para-military funds • Scientific and Industrial Research Organizations • Other Mutual Funds registered with SEBI • Foreign Portfolio Investor subject to the applicable regulations • International Multilateral Agencies approved by the Government of India • Universities and Educational Institutions • Any other category of investor so long as wherever applicable they are in conformity with applicable SEBI Regulations/RBI, etc. <p>Every investor, depending on any of the above category under which he/she/it/they fall are required to provide relevant documents along with the application form as may be prescribed by AMC.</p> <p>All applicants should be KYC compliant with valid PAN (except for Micro investments/ PAN exempt category). For complete details on KYC and PAN requirements refer SAI.</p> <p>Subject to the Regulations, any application for subscription of Units may be accepted or rejected if found incomplete or due to unavailability of underlying securities, etc. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Scheme's Unit capital is not in the general interest of the Investors, or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Investors to accept such an application.</p>
Who cannot invest	<p>The following persons are not eligible to invest in the scheme and apply for subscription to the units of the Scheme:</p> <ol style="list-style-type: none"> 1 Overseas Corporate Bodies, as defined under the Foreign Exchange Management Act, 1999. 2 Investor residing in any Financial Action Task Force (FATF) designated High Risk jurisdiction. 3 A person who is resident of Canada; 4 United States Person (U.S. person*) as defined under the extant laws of the United States of America, except the following:

	<ul style="list-style-type: none"> • NRIs/PIOs may invest/transact, in the Scheme, when physically present in India, upon submission of such documents/undertakings, etc., as may be stipulated by AMC/Trustee from time to time and subject to compliance with all applicable laws and regulations. • FPIs may invest in the Scheme through submission of physical form in India, subject to compliance with all applicable laws and regulations and the terms, conditions, and documentation requirements stipulated by the AMC/Trustee from time to time and subject to compliance with all applicable laws and regulations. <p>The Trustee/AMC reserves the right to put the transaction requests received from such U.S. person on hold or reject the transaction request and redeem the units, if allotted, as the case may be, as and when identified by the Trustee / AMC that the same is not in compliance with the applicable laws and/or not fulfilled the terms and conditions stipulated by Trustee/AMC from time to time. Such redemptions will be subject to applicable taxes and exit load, if any. The application form(s) for transactions (in non-demat mode) from such U.S. person will be accepted ONLY at the Investor Service Centers (ISCs) of the AMC.</p> <p>*The term “U.S. person” means any person that is a U.S. person within the meaning of Regulations under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time.</p> <p>The Fund reserves the right to include / exclude new / existing categories of investors who can invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, as applicable.</p> <p>The AMC/ Trustee shall not be liable for any loss or expenses incurred in respect of those transaction requests / allotted units which have been kept on hold or rejected or reversed.</p>
How to Apply and other details	<p>Investors can undertake transactions in the Schemes of JioBlackRock Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p><u>Physical Transactions</u> For subscription / redemption / switches, application form and Key Information Memorandum may be obtained from the Official Points of Acceptance (OPAs) of AMC / RTA or downloaded from the website of AMC (www.jioblackrockamc.com).</p> <p><u>Online / Electronic Transactions</u> Investors can undertake transactions via electronic mode through various online facilities offered by JioBlackRock AMC / other platforms specified by AMC from time to time.</p>

	<p>Refer back cover page for contact details of Registrar and Transfer Agent (CAMS), brief details various official points of acceptance, collecting bankers during NFO (if any), etc. The list of the ISCs/ OPAs, of JioBlackRock Asset Management Private Limited is provided on the website of the AMC. i.e. www.jioblackrockamc.com.</p> <p>Please refer to the SAI and Application form for the instructions.</p>
Where can you submit the filled up application	<p>Investors can submit the duly filled application forms at any Official Points of Acceptance (OPAs) of JioBlackRock AMC. The list of OPAs is available on AMC website (www.jioblackrockamc.com).</p> <p><u>AMC and RTA branches</u></p> <p>Investors may submit their applications at any branches of JioBlackRock Asset Management Private Limited. The updated list of AMC branches is available on AMC website (www.jioblackrockamc.com). Investors can also submit their applications at the Registrar's - Computer Age Management Services Limited (CAMS) branches. The updated list of CAMS branches is available on CAMS website (www.camsonline.com).</p> <p><u>JioBlackRock AMC Website and Mobile App</u></p> <p>Investor can also subscribe to the Units of the Scheme through our website (www.jioblackrockamc.com) or our mobile app by downloading from the Google Play Store or Apple Store.</p> <p><u>CAMS(RTA) Website and Mobile App</u></p> <p>Investor can also subscribe to the Units of the Scheme through the website of CAMS (www.camsonline.com) or through their mobile app (myCAMS) by downloading from the Google Play Store or Apple Store.</p> <p><u>Stock Exchanges</u></p> <p>Investors can also subscribe to the Units of the Scheme on BSE StAR MF Platform, MFSS and NSE NMF II.</p> <p><u>MF Utilities (MFU)</u></p> <p>Investors may purchase units of the Plan(s) under the Scheme through MFU. All financial and non-financial transactions pertaining to Schemes of JioBlackRock Mutual Fund can also be submitted through MFU either electronically or physically through the authorized Points of Service ("POS") of MFU. The list of POS of MFU is published on the website of MFU at www.mfuindia.com and may be updated from time to time.</p> <p><u>MFCentral</u></p> <p>Investor can also submit their applications through MFCentral, a unified platform for mutual fund transactions and services.</p> <p>The servers including email servers (maintained at various locations) of AMC, CAMS, and the servers of any other service provider/transaction platform with whom the AMC has tied up for this purpose will be the official point of acceptance for all online / electronic transactions mentioned above. For the purpose of,</p>

	<p>determining the applicability of NAV, the time when the request for purchase / sale / switch of units is received in the servers of AMC/ RTA or such other service provider/ transaction platform, shall be considered.</p> <p><u>Channel Partners / Execution Only Platforms (EOP):</u> In addition to the existing Official Point of Acceptance of transactions, the server(s) of CAMS, shall be an OPA for electronic transactions received from the Channel Partners / EOP with whom the AMC has entered or may enter specific arrangements for all financial transactions relating to the units of mutual fund schemes.</p> <p>For more details, please refer to SAI</p>
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Not applicable
Restrictions, if any, on the right to freely retain or dispose of units being offered.	<p>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.</p> <p>Additions/ deletion of names will not be allowed under any folio of the Scheme except for approved categories.</p> <p>Refer section of Listing and transfer of units.</p> <p>Restrictions on Redemptions of Units</p> <p>The Fund shall at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan/Option) of the scheme(s) of the fund on the occurrence of the below mentioned event for a period not exceeding ten (10) business days in any ninety (90) days period. The restriction on the Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable for the Redemption/switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). Further, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable for first Rs. 2,00,000/- (Rupees Two Lakhs).</p> <p>The restriction on redemption of the units of the Scheme may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets. A list of such circumstances are as follows:</p> <ul style="list-style-type: none"> • Liquidity issues: when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. • Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events

	<p>could also be related to political, economic, military, monetary or other emergencies.</p> <ul style="list-style-type: none"> Operational issues - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). If so directed by SEBI <p>Since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situations, the same may result in exceptionally large number of Redemption being made and in such a situation the indicative timeline mentioned by the Fund in the scheme offering documents, for processing of request of Redemption may not be applicable.</p> <p>Any restriction on Redemption or suspend Redemption of the Units in the scheme(s) of the Fund shall be made applicable only after prior approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI.</p> <p>Refer SAI for further details.</p>						
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>Cut off timing for subscriptions/ redemptions/ switches:</p> <p>In case of Subscription/Switch-in for any amount (duly time stamped): Cut off timing 3.00 p.m.</p> <table border="1"> <tr> <td>Valid applications received up to 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the Scheme/Mutual Fund before the cut-off time.</td><td>The closing NAV of the same day</td></tr> <tr> <td>Valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme /Mutual Fund either on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day.</td><td>The closing NAV of the next Business Day.</td></tr> <tr> <td>Irrespective of time of receipt of application, where the funds for the entire amount are available for utilisation before the cut-off time on any subsequent business day</td><td>The closing NAV of such subsequent Business Day.</td></tr> </table> <p>Realisation of funds means funds available for utilization and not date and time of debit from investor's account.</p> <p>In case application is time stamped after cut off timing on any day, the same will be considered as deemed to be received on the next Business Day.</p>	Valid applications received up to 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the Scheme/Mutual Fund before the cut-off time.	The closing NAV of the same day	Valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme /Mutual Fund either on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day.	The closing NAV of the next Business Day.	Irrespective of time of receipt of application, where the funds for the entire amount are available for utilisation before the cut-off time on any subsequent business day	The closing NAV of such subsequent Business Day.
Valid applications received up to 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the Scheme/Mutual Fund before the cut-off time.	The closing NAV of the same day						
Valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme /Mutual Fund either on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day.	The closing NAV of the next Business Day.						
Irrespective of time of receipt of application, where the funds for the entire amount are available for utilisation before the cut-off time on any subsequent business day	The closing NAV of such subsequent Business Day.						

	<p>In case funds are realised after cut-off timing on any day, the same will be considered as deemed to be realised / available for utilisation on the next Business Day.</p> <p>In case of investments through Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), other methods as may be offered by the AMC etc. the Units would be allotted as per the closing NAV of the day on which the funds are available for utilization irrespective of the installment date of the SIP, STP, etc.</p> <p>Since different payment modes have different settlement cycles including electronic transactions (as per arrangements with Payment Aggregators/Banks/Exchanges etc), it may happen that the investor's account is debited, but the money is not credited within cut-off time on the same date to the Scheme's bank account, leading to a gap/delay in Unit allotment. Investors are therefore urged to use the most efficient electronic payment modes to avoid delays in realization of funds and consequently in Unit allotment.</p> <p>Redemptions including switch-outs:</p> <p>In respect of valid applications received up to 3.00 pm on a Business Day by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after the cut off time by the Mutual Fund, the closing NAV of the next Business Day shall be applicable.</p> <p>Demand Drafts/ Outstation Cheques will not be accepted.</p> <p>Valid application for "switch out" shall be treated as redemption and for "switch in" shall be treated as purchases and the relevant NAV of "Switch in" and "Switch Out" shall be applicable accordingly.</p>
Where can the applications for purchase/redemption switches be submitted?	<p>Please refer the AMC website www.jioblackrockamc.com for the list of official points of acceptance.</p> <p>For further details, kindly refer section 'Other Scheme Specific Disclosures' – 'How to apply' and / or SAI</p> <p>It is mandatory for applicants to mention their bank account numbers in their applications for subscription or redemption of Units of the Scheme. If the investor fails to provide the bank mandate, the request for redemption would be considered as not valid and the Scheme retains the right to withhold the redemption until a proper bank mandate is furnished. Any provision with respect to penal interest in such cases will not be applicable.</p>
Minimum amount for purchase/redemption/swiches	<ul style="list-style-type: none"> • Minimum amount for Purchase (lumpsum): Rs. 500/- and any amount thereafter. • The minimum redemption amount shall be 'any amount' or 'any number of units' as requested by the investor at the time of redemption. • Redemption would be permitted to the extent of credit balance in the Investor's account of the Scheme (subject to release of pledge

	<p>/ lien or other encumbrances). The Redemption request can be made by specifying the rupee amount or by specifying the number of Units to be redeemed.</p> <ul style="list-style-type: none"> • Minimum amount for Switch-in to the Scheme: Rs. 500/- and any amount thereafter. • Minimum amount for Systematic Investment Plan (SIP): Rs. 500/- and in multiples of Re.1 thereafter. • Minimum amount for Systematic Transfer Plan (STP): Rs. 100/- and in multiples of Re. 1/- thereafter • Minimum amount for Systematic Withdrawal Plan (SWP): Rs. 500/- and in multiples of Re. 1/- thereafter
Minimum balance to be maintained and consequences of non-maintenance	There is no minimum balance requirement.
Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and / or SMS to the investor's registered email ID and / or mobile number within 5 business days of receipt of valid application / transaction and realization of funds towards purchase of units, whichever is later.</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds and their holding at the end of the month shall be sent to the Investors in whose folio(s) transaction(s) have taken place during the month by email on or before 12th day of the succeeding month and physical by 15th day of the succeeding month.</p> <p>Half-yearly physical CAS shall be issued at the end of every six months (i.e. April and October) on or before 21st day of succeeding month and e-CAS will be issued on or before 18th 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>The Investor may request for a physical account statement without any charges by writing to/calling the AMC/ISC/RTA. The Mutual Fund/ AMC shall dispatch an account statement within 5 Business Days from the date of the receipt of request from the Investor.</p> <p>For further details, please refer to the SAI.</p>
Dividend/ IDCW	<p>Not Applicable</p> <p>The AMC / Trustee at its discretion may introduce Dividend / IDCW Option in future.</p>
Redemption	The redemption or repurchase proceeds shall be dispatched to the investors within 3 (three) Business Days from the date of redemption or repurchase.

	For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024.
Bank Mandate	<p>It is mandatory for the investors to mention their bank account details in the applications. Investors are requested to provide the full particulars of their Bank Account i.e., Name, Account Number, 11-digit IFSC, branch address in the specified fields in the application form.</p> <p>For detailed information, please refer SAI.</p> <p>The AMC reserves the right to call for any additional documents as may be required, for processing of such transactions with missing/incomplete/invalid bank account details. The AMC also reserves the right to reject such applications.</p>
Delay in payment of redemption / repurchase proceeds / dividend	<p>Redemption shall be processed by the AMC within 3 (three) Business Days of the receipt of redemption request.</p> <p>The AMC shall be liable to pay interest to the investors at rate (currently 15% per annum) as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024 by SEBI for the period of such delay.</p> <p>Investor may note that in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/ 35P/ MEMCOR/ 74 / 2022-23 dated January 16, 2023 read with clause 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the AMC may not be liable to adhere with the timelines prescribed above.</p> <p>Please refer SAI for details.</p>
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	<p>Unclaimed Redemptions are those amounts that are processed and released but not encashed by/credited to the bank account of the unitholders of the schemes of JioBlackRock Mutual Fund.</p> <p>Investors have to submit request to redeem unclaimed units. Investors can either submit 'Financial Transaction Form' OR simple request letter for claiming of unclaimed units at any of our OPAs. The form needs to be duly signed as per the mode of holding.</p> <p>To process the claim, valid bank account details are required. Investors are requested to get the bank account updated in their folio prior submitting the claim request.</p> <p>Please refer to SAI for details.</p>
Disclosure w.r.t investment by minors	Payment for investment by means of cheque, or any other 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 only, else the transaction is liable to get rejected. However, irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian.

	<p>For systematic transactions in a minor folio, AMC would register standing instructions till the date of the minor attaining majority OR till the end date of the Systematic plan, whichever is earlier.</p> <p>Upon 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 bank account. All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major.</p> <p>For more details, please refer to SAI.</p>
--	--

III. Other Details

A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund

Not Applicable.

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

I. Scheme Portfolio

Portfolio shall be disclosed as on the last day of the month and half-year i.e. March 31 and September 30 within 10 days from the close of each month and half-year respectively. Portfolio shall be disclosed on AMC website www.jioblackrockamc.com/disclosure and on AMFI website www.amfiindia.com. Portfolio shall be disclosed in a user-friendly and downloadable spreadsheet format. Portfolio shall also be sent by e-mail to all investors by the AMC/Mutual Fund. The AMC/Mutual Fund shall publish an advertisement disclosing uploading of half year scheme portfolio on its website, in one English daily newspaper and in one Hindi daily newspaper having nationwide circulation. Physical copy of the scheme portfolio shall be provided to investors on receipt of specific request from the investor, without charging any cost.

II. Half Yearly Financial Results

The AMC / Mutual Fund shall within one month from the close of each half year, that is on March 31 and on September 30, host a soft copy of its unaudited financial results on the AMC website www.jioblackrockamc.com/disclosure and shall publish an advertisement disclosing the hosting of financial results on the AMC website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated. The unaudited financial results would be displayed on AMC website www.jioblackrockamc.com/disclosure and AMFI website www.amfiindia.com.

III. Annual Report

Scheme wise annual report or an abridged summary thereof shall be mailed to all Investors within four months from the date of closure of the relevant financial year i.e. 31st March each year as under:

- by email to the Investors whose email address is available with the Mutual Fund.
- in physical form to the Investors whose email address is not available with the Fund and/or to those Investors who have opted / requested for the same.

An advertisement shall also be published in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC www.jioblackrockamc.com/disclosure and AMFI website www.amfiindia.com. The physical copy of the scheme-wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC.

The AMC / Mutual Fund shall also provide a physical copy of abridged summary of the annual report without charging any cost, on specific request received from the Investor. A copy of scheme wise annual report shall also be made available to Investors on payment of nominal fees.

IV. Disclosure on Risk-o-meters

In accordance with Clause 17.4 of SEBI Master Circular for Mutual Funds dated June 27, 2024, Risk-o-meter shall be evaluated on a monthly basis and Mutual Funds/AMCs shall disclose the Risk-o-meter along with portfolio disclosure for all their schemes on their respective website [www.jioblackrockamc.com/disclosure] and on AMFI website within 10 days from the close of each month. In accordance with SEBI Circular no. SEBI/HO/IMD/PoD1/CIR/P/2024/150 dated November 5, 2024, any change in risk-o-meter and / or risk-o-meter of its benchmark shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to investors of that scheme.

V. Disclosure on Scheme Summary Document (SSD)

A Scheme Summary Document (SSD) of the Scheme which contains details such as Scheme features, Fund Manager details, investment details, investment objective, expense ratio etc. will be made available on the website of the AMC www.jioblackrockamc.com/disclosure and AMFI <https://www.amfiindia.com> .

C. Transparency/NAV Disclosure (Details with reference to information given in Section I):

The AMC will calculate and disclose the first NAV up to two decimal places of the Scheme within a period of 5 Business Days from the date of allotment. Subsequently, the AMC will calculate and disclose the NAVs up to two decimal places on all business days. However, the AMC reserves the right to declare the NAV upto additional decimal place as it deems appropriate.

The AMC shall update the NAVs on website of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) and on the website of AMC (<https://www.jioblackrockamc.com/nav>) before 11.00 p.m. on every Business Day.

NAVs shall be available on all centres for acceptance of transactions. NAVs shall also be made available at all Investor Service Centres and the contact number of the AMC i.e. Contact Center no.- +91 22-35207700 & +91 22-69987700 during business hours.

If the NAVs are not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons for the delay and explaining when the Mutual Fund would be able to publish the NAV. Further, as per SEBI Regulations, the repurchase price shall not be lower than 97% of the NAV.

D. Transaction charges and stamp duty:

No transaction charges will be levied on the investor.

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty at the rate of 0.005% of the transaction value would be levied on applicable mutual fund investment transactions such as purchases (including switch-in) with effect from July 1, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchases, switch-ins, Systematic Investment Plan (SIP) installments, Systematic Transfer Plan (STP-ins) installments etc. to the unit holders would be reduced to that extent.

For further details, refer SAI.

E. Associate Transactions:

Please refer to Statement of Additional Information (SAI).

F. Taxations:

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

Particulars	Tax rates applicable for Resident Investors	Tax rates applicable for Non-Resident Investors	Tax rates applicable for Mutual Fund
Dividend income			
Withholding tax rate	10% on income (in excess of INR 10,000)	20% ³ + applicable surcharge + 4% cess ⁴	Nil
Tax rates	Individual / HUF – Income tax rate applicable to the Unit holders as per their income slabs ⁵ Domestic Company - 30% + surcharge as applicable + 4% cess ⁴ 25% ⁶ + surcharge as applicable + 4% cess ⁴ 22% ⁷ + 10% surcharge + 4% cess ⁴ 15% ⁷ + 10% surcharge + 4% cess ⁴	Income tax rate applicable to the Unit holders as per their income slabs ⁵	Nil
Long term capital gain (held for more than 12 months)**	12.5% (Exceeding INR 1.25 Lakhs) without Indexation in case of redemption of units where STT is paid on transfer (u/s 112A) + applicable surcharge + 4% cess ⁴	12.5% (Exceeding INR 1.25 Lakhs) without Indexation in case of redemption of units where STT is paid on transfer (u/s 112A) + applicable surcharge + 4% cess ⁴	Nil
Short term capital gain (held for not more than 12 months)	20% on redemption of units where STT is paid on transfer (u/s 111A) + applicable surcharge + 4% cess ⁴	20% on redemption of units where STT is paid on transfer (u/s 111A) + applicable surcharge + 4% cess ⁴	Nil

Equity Scheme(s) will also attract Securities Transaction Tax (STT) ¹³

** Aggregate long term capital gains exceeding one lakh twenty-five thousand rupees in a financial year, arising from the transfer of units of an 'equity oriented fund', equity shares and units of business trust are chargeable to tax at 12.5 per cent (plus the applicable surcharge, health and education cess).

Notes:

1. Under the terms of the Scheme Information Document, this Scheme is classified as “equity-oriented fund”.

As per clause (a) of the explanation to section 112A, an "Equity oriented fund" has been defined to mean a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and, —

(i) in a case where the fund invests in the units of another fund which is traded on a recognized stock exchange, —

(B) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and

(B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognized stock exchange; and

(ii) in any other case, a minimum of sixty-five per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognized stock exchange

Further it is stated that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures

2. Income of the Mutual Fund is exempt from income tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act).
3. The withholding tax would be lower of 20% (plus applicable surcharge and cess) or the rate provided under the relevant tax treaty, whichever is lower, subject to eligibility and compliance with applicable conditions.

Under Section 196D of the Act, a 20% withholding tax rate (plus applicable surcharge and cess) applies to income from securities referred to in section 115AD(1)(a) paid to Foreign Institutional Investors (FII)^[1]. However, tax treaty benefits can be claimed at the time of withholding tax on income with respect to securities, if the FII² provides a tax residency certificate and other necessary documents required to claim treaty benefits. Additionally, no withholding is required for capital gains from the transfer of securities as specified under Section 115AD of the Act.

4. Health and Education Cess shall be applicable at 4% on aggregate of base tax and surcharge.
5. The Finance (No. 2) Act 2024 has amended the provisions of Section 115BAC to make new tax regime the default tax regime. The slab rates as prescribed under section 115BAC(1A) of the ITA [as amended by Finance Act, 2025 and effective from FY 2025-26] are as under:

Total Income	Tax rates (excluding surcharge and cess)
Up to INR 4,00,000	Nil
From INR 4,00,001 to INR 8,00,000	5%

From INR 8,00,001 to INR 12,00,000	10%
From INR 12,00,001 to INR 16,00,000	15%
From INR 16,00,001 to INR 20,00,000	20%
From INR 20,00,001 to INR 24,00,000	25%
Above INR 24,00,000	30%

However, the taxpayers have the option to opt out of new tax regime and choose to be taxed under old tax regime. The slab rates as per the old tax regime are as under:

Total Income	Tax rates (excluding surcharge and cess)
Up to INR 2,50,000**	Nil
From INR 2,50,001 to INR 5,00,000	5%
From INR 5,00,001 to INR 10,00,000	20%
INR 10,00,001 and above	30%

** In case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR 3,00,000. In case of a resident individual of the age of 80 years or more, the basic exemption limit is INR 5,00,000.

6. A tax rate of 25% (plus applicable surcharge and health and education cess) is applicable for the financial year 2025-26 in the case of domestic companies having total turnover or gross receipts not exceeding Rs. 400 crores in the financial year 2023-24.
7. Domestic companies may opt for a lower tax rate of 22% (plus fixed surcharge at the rate of 10% and health and education cess) (as per section 115BAA of the Act), subject to fulfillment of prescribed conditions. Further, new domestic manufacturing companies may opt for a lower tax rate of 15% (plus fixed surcharge at the rate of 10% and health and education cess) (as per section 115BAB of the Act), subject to fulfillment of prescribed conditions.
8. Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of non-resident investors only. However, as per section 196A of the Act, withholding tax on any income in respect of units of a Mutual Fund would be lower of 20% (plus applicable surcharge and cess) or the rate provided under the relevant tax treaty subject to fulfilment of certain conditions for being able to avail benefits under the tax treaty viz. obtain a valid tax residency certificate (TRC) and electronically file Form 10F.
9. If the total income of a resident investor (being individual or HUF) [without considering such Long-term capital Gains / short term capital gains] is less than the basic exemption limit, then such Long-term capital gains/short-term capital gains should be first adjusted towards basic exemption limit and only excess should be chargeable to tax.

10. Non-resident investors may be subject to a separate of tax regime / eligible to benefits under Tax Treaties, depending upon the facts of the case. The same has not been captured above.
11. In case of resident individuals opting out from section 115BAC, a rebate of up to Rs. 12,500 is available if total income does not exceed Rs. 500,000.
12. The Finance Act, 2025 amended Section 87A of the Act to provide that where an Individual apply for lower slab rates provided under section 115BAC(1A) and the total income:
 - i. does not exceed 12,00,000, a rebate shall be provided on tax to the extent of an amount equal to 100% of such income-tax or an amount of INR 60,000 (whichever is less);
 - ii. exceeds INR 12,00,000 and the income-tax payable on such total income exceeds the amount by which the total income is in excess of 12,00,000, a rebate shall be provided on tax of an amount equal to the amount by which the tax payable is in excess of the amount by which the total income exceeds 12,00,000

Further, such rebate of income-tax will not be available on tax on incomes chargeable to tax at special rates (for e.g.: capital gains u/s 111A, 112 etc.)

13. STT at the rate of 0.001% is applicable on redemption of units of equity-oriented mutual funds.

For further details on taxation please refer to the Section 'Taxation On Investing In Mutual Funds' Statement of Additional Information ('SAI')

^[1] As per Notification No. 9/2014 dated 22 January 2014, the Central Government has specified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as 'Foreign Institutional Investor' for the purposes of clause (a) of the Explanation to section 115AD of the Act.

G. Rights of Unitholders:

Please refer to SAI for details.

H. List of official points of acceptance:

The details pertaining to official points of acceptance of AMC and RTA are available on the website of the AMC at www.jioblackrockamc.com/disclosure.

Details of the Registrar and Transfer Agent:

Name	Computer Age Management Services Limited (CAMS)
Address	Rayala Towers, 158, Anna Salai, Chennai – 600 002.
Website Address	www.camsonline.com
Email id	service@jioblackrockamc.com
Contact no.	18004192267

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

There have been no penalties or pending litigation on the AMC since its incorporation.

The investors may refer to the details on the website of the Company at link: www.jioblackrockamc.com/disclosure.

Notes:

The Scheme under this Scheme Information Document was approved by the Trustees on August 28, 2025.

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

For and on behalf of the Board of Directors of Jio BlackRock Asset Management Private Limited

Sd/-

**Siddharth Swaminathan
Managing Director and Chief Executive Officer**

Place: Mumbai

Date: December 4, 2025