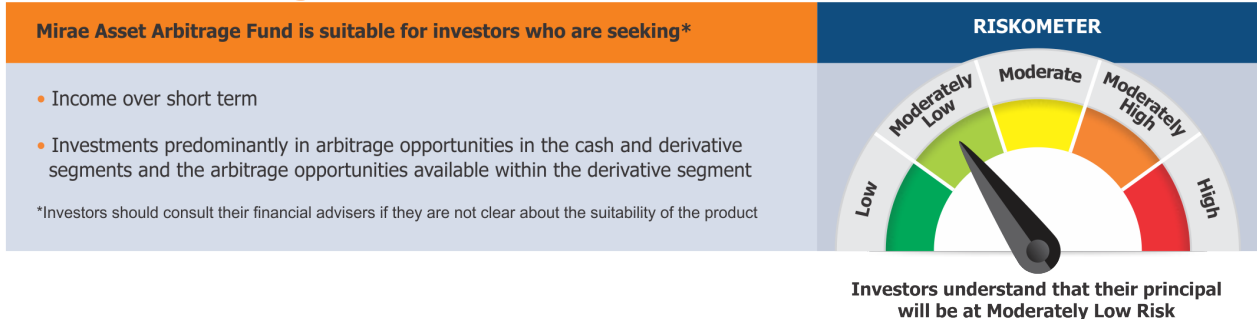


## SCHEME INFORMATION DOCUMENT

### MIRAE ASSET ARBITRAGE FUND (MAAF)

An open ended scheme investing in arbitrage opportunities

## Product Labelling



**Offer of Units of Rs. 10/- per unit during the New Fund Offer Period and on applicable NAV during the Continuous offer**

**New Fund Offer opens on : 03/06/2020**

**New Fund Offer closes on : 12/06/2020**

**Scheme re-opens for continuous Sale and Repurchase from 22/06/2020**

The subscription list may be closed earlier by giving at least one day's notice in one daily newspaper. The Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the subscription list of the New Fund Offer Period shall not be kept open for more than 15 days.

### Mirae Asset Mutual Fund

**Investment Manager:** Mirae Asset Investment Managers (India) Private Limited  
CIN: U65990MH2019PTC324625

**Trustee:** Mirae Asset Trustee Company Private Limited  
CIN: U65191MH2007FTC170231

### Registered & Corporate Office:

Unit No.606, Windsor Building, Off. C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098

**Tel. No.:** 022-678 00 300 **Fax No.:** 022- 6725 3940 - 47

**Website:** [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in) **E-mail:** [miraeasset@miraeassetmf.co.in](mailto:miraeasset@miraeassetmf.co.in)

The particulars of the Scheme have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (hereinafter referred to as SEBI (Mutual Funds) Regulations) as amended till date and filed with SEBI, along with Due Diligence Certificate from the Asset Management Company. 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 SID.

The SID sets forth concisely the information about **MIRAE ASSET ARBITRAGE FUND (MAAF)** that a prospective investor ought to know before investing. The investor should also ascertain about any further changes to this SID after the date of this Document from the Mutual Fund/ Investor Service Centers/ Website/ Distributors or Brokers.

The Investors are advised to refer to the Statement of Additional Information (SAI) for details of Mirae Asset Mutual Fund, tax and legal issues and general information on [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in)

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

The SID should be read in conjunction with SAI and not in isolation.

This SID is dated May 21, 2020

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## HIGHLIGHTS / SUMMARY OF THE SCHEME:

<b>Name of the Scheme</b>	<b>MIRAE ASSET ARBITRAGE FUND (MAAF)</b>																																																
<b>Category of the Scheme</b>	Arbitrage Fund																																																
<b>Type of the Scheme</b>	An open ended scheme investing in arbitrage opportunities																																																
<b>Investment Objective</b>	<p>The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.</p> <p>There is no assurance or guarantee that the investment objective of the scheme will be realized</p>																																																
<b>Plans/Options offered</b>	<p>The Scheme will have Regular Plan and Direct Plan** with a common portfolio and separate NAVs. Investors should indicate the Plan for which the subscription is made by indicating the choice in the application form.</p> <p>Each of the above Regular and Direct Plan under the scheme will have the following Options / Sub-options: (1) Growth Option and (2) Dividend Option. The Dividend Option shall have only Dividend Reinvestment and Payout option.</p> <p>The default option for the unitholders will be Regular Plan – Growth Option if he is routing his investments through a distributor and Direct Plan – Growth option if he is a direct investor.</p> <p>If the unit holders selects Dividend option but does not specify the sub-option then the default sub-option shall be Dividend Reinvestment.</p> <p>Investors subscribing under Direct Plan of the Scheme will have to indicate “Direct Plan” against the Scheme name in the application form i.e. “MIRAE ASSET ARBITRAGE FUND - Direct Plan”.</p> <p>Treatment for investors based on the applications received is given in the table below:</p> <table><tr><th>Scenario</th><th>Broker mentioned by the investor</th><th>Code by the investor</th><th>Plan mentioned by the investor</th><th>Default Plan to be captured</th></tr><tr><td>1</td><td>Not mentioned</td><td></td><td>Not mentioned</td><td>Direct Plan</td></tr><tr><td>2</td><td>Not mentioned</td><td></td><td>Direct</td><td>Direct Plan</td></tr><tr><td>3</td><td>Not mentioned</td><td></td><td>Regular</td><td>Direct Plan</td></tr><tr><td>4</td><td>Mentioned</td><td></td><td>Direct</td><td>Direct Plan</td></tr><tr><td>5</td><td>Direct</td><td></td><td>Not Mentioned</td><td>Direct Plan</td></tr><tr><td>6</td><td>Direct</td><td></td><td>Regular</td><td>Direct Plan</td></tr><tr><td>7</td><td>Mentioned</td><td></td><td>Regular</td><td>Regular Plan</td></tr><tr><td>8</td><td>Mentioned</td><td></td><td>Not Mentioned</td><td>Regular Plan</td></tr></table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan.</p> <p>The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall</p>				Scenario	Broker mentioned by the investor	Code by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned		Not mentioned	Direct Plan	2	Not mentioned		Direct	Direct Plan	3	Not mentioned		Regular	Direct Plan	4	Mentioned		Direct	Direct Plan	5	Direct		Not Mentioned	Direct Plan	6	Direct		Regular	Direct Plan	7	Mentioned		Regular	Regular Plan	8	Mentioned		Not Mentioned	Regular Plan
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7	Mentioned		Regular	Regular Plan																																													
8	Mentioned		Not Mentioned	Regular Plan																																													

	<p>reprocess the transaction under Direct Plan from the date of application without any exit load.</p> <p><b>**DIRECT PLAN:</b> Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Mutual Fund and is not available for investors who route their investments through a Distributor.</p>
<b>Liquidity Facility</b>	<p>The Scheme will offer units for purchases/switch-ins and redemptions/switch-outs at NAV based prices on all business days on an ongoing basis. Repurchase of Units will be at the NAV prevailing on the date the units are tendered for repurchase.</p> <p>As per SEBI Regulations, the Mutual Fund shall dispatch redemption proceeds within 10 Business Days of receiving a valid redemption request. A penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time, will be paid in case the redemption proceeds are not made within 10 Business Days from the date of receipt of a valid redemption request.</p>
<b>Benchmark Index</b>	<b>NIFTY 50 Arbitrage Index</b>
<b>Dematerialization of Units</b>	<p>The Unit holders are given an Option to hold the units by way of an Account Statement (Physical form) or in Dematerialized ('Demat') form.</p> <p>Mode of holding shall be clearly specified in the KIM cum application form.</p> <p>The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL). Unit holders opting to hold the units in demat form must provide their Demat Account details like the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP, in the specified section of the application form.</p> <p>In case Unit holders do not provide their Demat Account details, unit will be allotted to them in physical form and an Account Statement shall be sent to them.</p> <p>Investors holding units in dematerialization form as well as investors holding units in physical form, both shall be able to trade on the BSE StAR MF Platform and on NSE NMF II.</p>
<b>Transparency / Net Asset Value (NAV) Disclosure</b>	<p>The AMC will calculate and disclose the first NAVs under the Scheme not later than 5 Business Days from the date of allotment of units under the NFO Period. Subsequently, the NAVs will be calculated and disclosed at the close of every Business Day. As required by SEBI, the NAVs shall be disclosed in the following manner:</p> <ul style="list-style-type: none"> <li>i) Displayed on the website of the Mutual Fund <a href="https://www.miraeassetmf.co.in/">https://www.miraeassetmf.co.in/</a></li> <li>ii) Displayed on the website of Association of Mutual Funds in India (AMFI) (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</li> </ul> <p>NAV of the Units of the Scheme (including options thereunder) shall be calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time. The NAV will be computed upto 3 decimal places. The mutual fund should allot units / refund of money and dispatch statements of accounts within five business days from the closure of the NFO. The AMC will update the NAVs on AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a> before 11.00 p.m. on every business day and also on its website (<a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>). If the NAV is not available before the</p>

	<p>commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.</p> <p>The AMC shall within one month from the close of each half year, shall host a soft copy of unaudited financial results on its website and shall publish an advertisement disclosing the hosting of such financial results in the newspapers.</p> <p>The AMC will dispatch Annual Report of the Schemes within the stipulated period as required under the Regulations.</p>
<b>Monthly/ Half yearly Portfolio</b>	<p>The Mutual Fund/ AMC will disclose portfolio (along with ISIN) of the Scheme in the prescribed format, as on the last day of the month / half-year i.e. March 31 and September 30, on its website viz. <a href="https://www.miraeassetmf.co.in/">https://www.miraeassetmf.co.in/</a> and on the website of Association of Mutual Funds in India (AMFI) viz. <a href="http://www.amfiindia.com">www.amfiindia.com</a> within 10 days from the close of each month/ half year respectively. In case of unitholders whose e-mail addresses are registered, the Mutual Fund/ AMC will send via email both the monthly and half yearly statement of scheme portfolio within 10 days from the close of each month/ half year respectively. Mutual Fund / AMC will publish an advertisement every half year in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half-yearly statement of the Scheme portfolio on its website and on the website of Association of Mutual Funds in India (AMFI). Mutual Fund / AMC will provide a physical copy of the statement of its Scheme portfolio, without charging any cost, on specific request received from a unitholder.</p>
<b>Minimum Application Amount &amp; Minimum Additional Application Amount</b>	<p>Investors can invest under the Scheme during the New Fund Offer period and ongoing offer period with a minimum investment of Rs.5,000/- and in multiples of Re. 1/- thereafter.</p> <p>During ongoing offer period, for subsequent additional purchases, the investor can invest with the minimum amount of Rs. 1,000/- and in multiples of Re. 1/- thereafter.</p>
<b>Applications Supported By Blocked Amount (ASBA)</b>	<p>Investors also have an option to subscribe to units during the New Fund Offer period under the Applications Supported by Blocked Amount (ASBA) facility, which would entail blocking of funds in the investor's Bank account, rather than transfer of funds, on the basis of an authorization given to this effect at the time of submitting the ASBA application form.</p> <p>The AMC shall allot Units within 5 business days from the date of closure of the NFO period. Units will be allotted in whole figure.</p> <p>For complete details on ASBA process refer Statement of Additional Information (SAI) made available on our website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>.</p>
<b>Transaction Charges</b>	<p>In accordance with SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, the AMC shall deduct the Transaction Charges on purchase / subscription of Rs.10,000 and above received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/agent (who have opted-in to receive the transaction charges on basis of type of product) as under:</p> <p><b>First Time Mutual Fund Investor (across Mutual Funds):</b> Transaction charge of Rs. 150/- for subscription of Rs. 10,000/- and above will be deducted from the subscription amount and paid to the distributor / agent of the first time investor. The balance of the subscription amount shall be</p>

	<p>invested and accordingly units allotted.</p> <p><b>Investor other than First Time Mutual Fund Investor:</b> Transaction charge of Rs.100/- per subscription of Rs.10,000/- and above will be deducted from the subscription amount and paid to the distributor/ agent of the investor. The balance of the subscription amount shall be invested and accordingly units allotted.</p> <p><b>Transaction charges in case of investments through SIP:</b> Transaction Charges in case of investments through SIP are deductible only if the total commitment of investment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000 or more. In such cases, Transaction Charges shall be deducted in 3-4 installments.</p> <p>Identification of investors as "first time" or "existing" will be based on Permanent Account Number (PAN)/PAN Exempt KYC Reference Number (PEKRN) at the First/ Sole Applicant/ Guardian level. Hence, Unitholders are urged to ensure that their PAN/ PEKRN/ KYC is updated with the Fund. Unit holders may approach any of the Official Points of Acceptances of the Fund i.e. Investor Service Centres (ISCs) of the Fund/ offices of our Registrar and Transfer Agent, M/s. KFin Technologies Private Ltd in this regard.</p> <p><b>Transaction charges shall not be deducted/applicable for:</b></p> <ul style="list-style-type: none"> <li>- Purchases /subscriptions for an amount less than Rs.10,000/-;</li> <li>- Transaction other than purchases / subscriptions relating to new inflows such as Switches, etc. or</li> <li>- Transactions carried out through the Stock Exchange Platforms for Mutual Funds</li> </ul> <p>For further details on transaction charges refer to the section VI-C - 'Transaction Charges'.</p>
<b>Minimum Target Amount</b>	The Fund seeks to raise a minimum subscription amount of Rs. 10 Crores under the scheme during its New Fund Offer (NFO) period. In the event the aforesaid minimum subscription cannot be raised by the scheme during the NFO, the subscriptions so collected will be refunded to the applicants within 5 business days from the closure of the NFO
<b>Loads</b>	<p>a) <b>Entry Load:</b> Not Applicable</p> <p>In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged for purchase/additional purchase/switch-in accepted by AMC with effect from August 01, 2009.</p> <p>The upfront commission on investment made by the investor, if any, will be paid to the ARN Holder (AMFI registered Distributor), directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.</p> <p>b) <b>Exit Load:</b></p> <p>0.25%: If units Redeemed or Switched Out within 30 days from the date of allotment. Nil after 30 Days.</p>
<b>New Fund Offer Price</b>	Rs. 10 per Unit
<b>Repatriation Facility</b>	Permitted NRIs and FPIs may invest in the scheme on a full repatriation basis as per the relevant notifications and/ or guidelines issued by RBI & FEMA in this regard. Refer "Who can Invest" in Section III – A. <i>NEW FUND OFFER</i> .



## **I INTRODUCTION**

### **A. RISK FACTORS**

#### **Standard Risk Factors:**

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal
- As the price / value / interest 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/ 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 is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme. In addition, the scheme does not guarantee or assure any dividend and also does not guarantee or assure that it will make any dividend distribution, though it has every intention to make the same in the dividend option. All dividend distributions will be subjected to the investment performance of the Scheme

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

**Some of the specific risk factors related to the Scheme include, but are not limited to the following:**

- The Scheme proposes to invest in equity and equity related instruments by identifying and exploiting price discrepancies in cash and derivative segments of the market. These investments by nature are volatile as the prices of the underlying securities are affected by various factors such as liquidity, time to settlement date, news flow, spreads between cash and derivatives market at different points of time, trading volumes, etc.
- There is no guarantee that the Fund Manager will be able to spot investment opportunities or correctly exploit price discrepancies in the different segments of the market.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- The Scheme is also expected to have a high portfolio churn, especially in a volatile market.
- There is an execution risk while implementing arbitrage strategies across various segments of the market, which may result in missed investment opportunities, or may also result in losses/high transaction costs.
- In case of a large outflow from the Scheme, the Scheme may need to reverse the spot-futures transaction before the settlement of the futures trade. While reversing the spot-futures transaction on the Futures and 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 resulting in basis risk.
- While future market are typically more liquid than underlying cash market, there can be no assurance that ready liquidity would exists at all point in time for the scheme to purchase and close out a specific futures contract.
- In case of arbitrage, if futures are allowed to expire with corresponding buy/sell in cash market, there is a risk that price at which futures expires, may/may not match with the actual cost at which it is bought/sold in the cash market in last half an hour of the expiry day (Weighted average price for buy or sell).

### **Risks Associated with Equity Investments:**

- Equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. Also, the value of the Scheme investments may be affected by interest rates, changes in law/ policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities, a specific sector or all sectors.
- Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Schemes unless they can afford to take the risk of losing their investment.

### **Risks Associated with Debt & Money Market Instruments**

- **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such 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.
- **Credit Risk:** In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in Government securities, there is no credit risk to that extent.
- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Pre-payment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.
- **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.
- **Concentration Risk:** The Scheme portfolio may have higher exposure to a single sector, subject to maximum of 20% of net assets, depending upon availability of issuances in the market at the time of investment, resulting in higher concentration risk. Any change in government policy / businesses environment relevant to the sector may have an adverse impact on the portfolio.
- Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its



investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.

### **Risks Associated with Derivatives**

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 instruments. Such risks include mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount. 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. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. The loss can be unlimited as underlying asset can increase to any levels. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price and the loss is limited to strike price.

Investments in futures face the same risk as the investments in the underlying securities. The extent of loss is the same as in the underlying securities. However, 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. The derivatives are also subject to liquidity risk as the securities in the cash markets. 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 in the values. For further details please refer to section "Investments Limitations and Restrictions in Derivatives" in this SID.

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

- Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
- Security comprises of segregated portfolio may not realise any value.
- Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

### **Risk associated with Covered Call**

If the underlying price rises above the strike, the short call loses its value as much as the underlying stock gains and as a result the upside of the stock always gets capped. This is a lost opportunity risk.

- Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares. This downside risk is reduced by writing covered call options.
- The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.

- The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss.
- The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the scheme. This may restrict the ability of Scheme to buy any options.

### **Risk Associated with Securitized Debt**

The Scheme may invest in domestic securitized debt such as Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS). ABS are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. MBS are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential/ commercial properties. ABS/MBS instruments reflect the undivided interest in the underlying pool of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. If the delinquencies and credit losses in the underlying pool exceed the credit enhancement provided, ABS/MBS holders will suffer credit losses. ABS/MBS are also normally exposed to a higher level of reinvestment risk as compared to the normal corporate or sovereign debt.

At present in Indian market, following types of loans are securitized:

1. Auto Loans (cars / commercial vehicles / two wheelers)
2. Residential Mortgages or Housing Loans
3. Consumer Durable Loans
4. Personal Loans
5. Corporate Loans

In terms of specific risks attached to securitization, each asset class would have different underlying risks. Residential Mortgages generally have lower default rates than other asset classes, but repossession becomes difficult. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Asset classes like personal loans, credit card receivables are unsecured and in an economic downturn may witness higher default. A corporate loan/ receivable, depend upon the nature of the underlying security for the loan or the nature of the receivable and the risks correspondingly fluctuate.

The rating agencies define margins, over collateralisation and guarantees to bring risk in line with similar AAA rated securities. The factors typically analyzed for any pool are as follows:

- a. Assets securitized and Size of the loan: This indicates the kind of assets financed with the loan and the average ticket size of the loan. A very low ticket size might mean more costs in originating and servicing of the assets.
- b. Diversification: Diversification across geographical boundaries and ticket sizes might result in lower delinquency
- c. Loan to Value Ratio: Indicates how much % value of the asset is financed by borrower's own equity. The lower this value the better it is. This suggests that where the borrowers own contribution of the asset cost is high; the chances of default are lower.
- d. Average seasoning of the pool: This indicates whether borrowers have already displayed repayment discipline. The higher the number, the more superior it is. The other main risks pertaining to Securitised debt are as follows:

**Prepayment Risk:** This arises when the borrower pays off the loan sooner than expected. When interest rates decline, borrowers tend to pay off high interest loans with money borrowed at a lower interest rate, which shortens the average maturity of ABSs. However, there is some prepayment risk even if interest rates rise, such as when an owner pays off a mortgage when the house is sold or an auto loan is paid off when the car is sold.

**Reinvestment Risk:** Since prepayment risk increases when interest rates decline, this also introduces reinvestment risk, which is the risk that the principal can only be reinvested at a lower rate.

### **Risk Associated with structured obligations and credit enhancement**

The Scheme may invest in domestic structured obligations such as corporate / promoter guarantee: Securities which have a structure with a guarantee from the corporate / promoter, may see an adverse effect if there are any signs of stress at the promoter / group level, even though the standalone borrowing entity's debt servicing capability and repayments may not see any material impact, from a future cash flow perspective.

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 which may affect the ability of the fund to enforce collateral and recover capital and interest obligations. Also there is a possibility of guarantor going insolvent which also can impact the recovery value of exposure. In case of credit enhanced structures backed by equity share the liquidity of the underlying shares may be low leading to a lower recovery and a higher impact cost of liquidation. In case of other assets provided recovery value and enforce ability of asset can also be a risk factor which can lower the recovery value.

### **Risk Factors Associated with Investments in REITs and InvITS:**

- **Risk of lower than expected distributions:** The distributions by the REIT or InvIT will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the REIT/InvIT receives as dividends on the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate primarily based on the below, amongst other things:
  - Success and economic viability of tenants and off-takers
  - Economic cycles and risks inherent in the business which may negatively impact valuations, returns and profitability of portfolio assets
  - Force majeure events related such as earthquakes, floods, etc. rendering the portfolio assets inoperable
  - Debt service requirements and other liabilities of the portfolio assets
  - Fluctuations in the working capital needs of the portfolio assets
  - Ability of portfolio assets to borrow funds and access capital markets
  - Changes in applicable laws and regulations, which may restrict the payment of dividends by portfolio assets
  - Amount and timing of capital expenditures on portfolio assets
  - Insurance policies may not provide adequate protection against various risks associated with operations of the REIT/InvIT such as fire, natural disasters, accidents, etc.
  - Taxation and regulatory factors
- **Price Risk:** The valuation of REIT/InvIT units may fluctuate based on economic conditions, fluctuations in markets (eg. Real estate) in which the REIT/InvIT operates and resulting impact on the value of the portfolio of assets, regulatory changes, force majeure events, etc. REITs and InvITs may have volatile cash flows. As an indirect shareholder of portfolio assets, unit holders rights are subordinated to the rights of creditors, debt holders and other parties specified under Indian Law in the even to insolvency or liquidation of any of the portfolio assets.

- **Market Risk:** REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the Scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures.
- **Liquidity Risk:** As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.
- **Reinvestment Risk:** Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.

The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that a Scheme's investment objectives will be achieved, or that there will be no loss of capital.

### **Risk associated with Securities Lending**

Securities Lending is a lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed.

In case the Scheme undertakes stock lending under the Regulations, it may, at times be exposed to counter party risk and other risks associated with the securities lending. Unitholders of the Scheme should note that there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

### **Risk associated with short selling**

Short-selling is the sale of shares that the seller does not own at the time of trading. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock he shorted and returns the stock to close out the loan. If the price of the stock has fallen, he can buy the stock back for less than he received for selling it and profits from it (the difference between higher short sale price and the lower purchase price).

However, Short positions carry the risk of losing money and these losses may grow theoretically unlimited if the price increases without limit and shall result into major losses in the portfolio.

In addition, the short selling will also have the risk of inability to borrow the securities by the seller. Then, it might be possible that the short seller will be required to purchase the securities sold short to cover the short even if the price of the security is higher at the time of the short sale.

If a stock starts to rise and a large number of short sellers try to cover their positions at the same time, it can quickly drive up the price even further. This phenomenon is known as a short squeeze. This might result in major losses in the portfolio.

## **RISK CONTROL:**

The Investment Manager endeavors to invest in REITs/InvITs, where adequate due diligence and research has been performed by the Investment Manager. The Investment Manager also relies on its own research as well as third party research. This involves one to one meetings with the managements, attending conferences and analyst meets and also tele-conferences. The analysis will focus, amongst others, on the predictability and strength of cash flows, value of assets, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions etc.

## **B. RISK MITIGATION MEASURES**

### **Concentration Risk**

The AMC will mitigate this risk by investing in sufficiently large number of issuers spread across the sectors so as to maintain optimum diversification and keep issuer/sector specific concentration risk relatively low.

### **Liquidity Risk**

The Schemes will invest in debt instruments and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. Liquidity risk is today characteristic of the Indian fixed income market. The Schemes will however, endeavor to minimize liquidity risk by investing in securities having a liquid market.

### **Risks Associated with Equity Investments:**

The scheme has a diversified portfolio to counter the volatility in the prices of individual stocks. Diversification in the portfolio reduces the impact of high fluctuations in daily individual stock prices on the portfolio.

**Credit Risk** - The fund has a rigorous credit research process. There is a regulatory and internal cap on exposure to each issuer. This ensures a diversified portfolio and reduced credit risk in the portfolio.

### **Risks Associated with Repo in Corporate Debt**

#### **Illiquidity Risk**

The repo market for corporate debt securities is over the counter (OTC) and illiquid. Hence, repo obligations cannot be easily sold to other parties. Therefore, to mitigate such risks, it has been stipulated that gross exposure to Repo in corporate bonds would be limited to 10% of net assets of the concerned scheme. Further, the tenor of repo would be taken based on nature and unit holders' pattern of the scheme.

#### **Counter-party risk**

Credit risk would arise if the counter-party fails to repurchase the security as contracted or if counterparty fails to return the security or interest received on due date. To mitigate such risks, the schemes shall carry out repo transactions with only those counterparties, which has a credit rating of 'A1+' or 'AA- and above'. In case of lending of funds as a repo buyer, minimum haircuts on the value of the collateral security have been stipulated, and we would receive the collateral security in the scheme's account before the money is lent to the counter-party. Overall, we would have a limited number of counter-parties, primarily comprising of Mutual Funds, Scheduled Commercial banks, Financial Institutions and Primary dealers. Similarly, in the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter-party may hurriedly dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to the Scheme. Thus, the Scheme

may suffer losses in such cases. Sufficient funds flow management systems are in place to mitigate such risks.

### **Collateral Risk (as a repo buyer)**

Collateral risks arise due to fall in the value of the security (change in credit rating and/or interest rates) against which the money has been lent under the repo arrangement. To mitigate such risks, we have stipulated the minimum credit rating of the issuer of collateral security.

(‘AA’ for long-term instruments/A1+ for money market instruments), maximum duration of the collateral security (10 years) and minimum haircuts on the value of the security.

### **Risks associated with investing in Tri-Party Repo through CCIL (TREPS)**

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Triparty 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. CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilized to complete the settlement. The sequence in which the above resources are used is known as the “Default Waterfall”. 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). However, it may be noted that a member shall have the right to submit resignation from the membership of the Security segment if it has taken a loss through replenishment of its contribution to the default fund for the segments and a loss threshold as notified have been reached. The maximum contribution of a member towards replenishment of its contribution to the default fund in the 7 days (30 days in case of securities segment) period immediately after the afore-mentioned loss threshold having been reached shall not exceed 5 times of its contribution to the Default Fund based on the last re-computation of the Default Fund or specified amount, whichever is lower. Further, it may be noted that, CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

### **Risk Mitigation measures for investments in equity / equity related instruments**

- The Scheme endeavours to have a diversified equity portfolio comprising stocks across various sectors of the economy to reduce sector specific risks.
- The investment team will primarily use a top down approach for taking interest rate view, sector allocation along with a bottom up approach for security/instrument selection.
- The bottom up approach will assess the quality of security/instrument (including the financial health of the issuer) as well as the liquidity of the security.

The Scheme will also invest in debt securities and money market instruments.

- Any investments in debt securities would be undertaken after assessing the associated credit risk, interest rate risk and liquidity risk.
- The credit quality of the portfolio will be maintained and monitored using in-house research capabilities as well as inputs from external sources such as independent credit rating agencies.



- Investments in debt instruments carry various risks such as interest rate risk, reinvestment risk, credit risk and liquidity risk etc. Whilst such risks cannot be eliminated, they may be minimized through diversification.

Risk is an inherent part of the investment function. Effective risk management is critical to fund management for achieving financial soundness. Investments by the Scheme shall be made as per the investment objective of the Scheme and provisions of SEBI (MF) Regulations. AMC has incorporated adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep it in line with the investment objective of the Scheme. The risk control process involves identifying & measuring the risk through various Risk Measurement Tools like but not limited to calculating risk ratios, tracking error etc. The AMC has implemented MFund as the Front Office and Settlement System (FOS). The system has incorporated all the investment restrictions as per SEBI guidelines and “soft” warning alerts at appropriate levels for preemptive monitoring. The system enables identifying & measuring the risk through various risk measurement tools like various risk ratios, average duration and analyzes the same so as to act in a preventive manner.

The risk control measures for managing the debt portion of the scheme are:

- Monitoring risk adjusted returns performance of the fund with respect to its peers and its benchmark.
- Tracking analysis of the fund on various risk parameters undertaken by independent fund research / rating agencies or analysts and take corrective measures if needed.
- Credit analysis plays an important role at the time of purchase of bond and then at the time of regular performance analysis. Our internal research anchors the credit analysis. Sources for credit analysis include Capital Line, CRISIL, ICRA updates etc. Debt ratios, financials, cash flows are analysed at regular intervals to take a call on the credit risk.
- We define individual limits for G-Sec, money market instruments, MIBOR linked debentures and corporate bonds exposure, for diversification reasons.

The Scheme does not propose to underwrite issuances of securities of other issuers.

### **C. REQUIREMENT OF MINIMUM NUMBER OF INVESTORS AND MINIMUM HOLDING BY SINGLE INVESTOR**

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. However, if such limit is breached during the NFO of the Scheme, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days’ notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

#### **D. SPECIAL CONSIDERATIONS**

Mutual funds, like securities investments, are subject to market risks and there is no guarantee against loss in the Scheme or that the objective(s) of the scheme are achieved.

No person receiving a copy of Statement of Additional Information (SAI) & Scheme Information Document (SID) or any accompanying application form in such jurisdiction may treat this SAI & SID or such application form as constituting an invitation to them to subscribe for Units nor should they in any event use any such application form unless, in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance of any registration or other legal requirements.

The tax benefits described in this SID and SAI are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India as on the date of this SID and the Unitholders should be aware that the relevant fiscal rules or 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 an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his / her own professional tax advisor.

The SAI, SID or the Units have not been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or totally prohibited due to registration requirements and accordingly, persons who come into possession of this SID are required to inform themselves about and to observe any such restrictions and or legal compliance requirements.

No person has been authorized to issue any advertisement or to give any information or to make any representations other than that contained in this SID. Circulars in connection with this offering not authorized by the Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund. Any subscription, Purchase or Sale made by any person on the basis of statements or representations which are not contained in this Offer Document or which are inconsistent with the information contained herein shall be solely at the risk of the investor.

Prospective investors should review / study this Statement of Additional Information along with SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as an advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (by way of sale, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (by way of sale, transfer, switch or conversion into money) of Units within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to Purchase / gift Units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding Units before making an application for Units.

Mirae Asset Mutual Fund / the AMC have not authorized any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this SID as the same have not been authorized by the Mutual Fund or the AMC. Any subscription, Purchase or Sale made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the investor.

From time to time and subject to the Regulations, funds managed by the affiliates / associates of the Sponsor may invest either directly or indirectly in the Scheme. The funds managed by these affiliates /

Scheme Information Document - Mirae Asset Arbitrage Fund

associates may acquire a substantial portion of the Scheme's Units and collectively constitute a major investment in the Scheme.

**Suspicious Transaction Reporting:** If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit holder/any other person.

The AMC also acts as the investment manager for Mirae Asset AIF ("AIF Fund"), which is formed as a trust and has received registration as a Category II Alternative Investment Fund from SEBI vide Registration No. IN/AIF2/18-19/0541. The Certificate of Registration is valid till the expiry of the last Scheme set up under the AIF Fund. Mirae Asset Credit Opportunities Fund has been launched under the AIF Fund. The AMC has ensured that there are no material conflicts of interest. The AMC will ensure that there are no material conflicts of interest. Any potential conflicts between the AIF Fund and the Mutual Fund are adequately addressed by (a) compliance with the requirements under Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996; (b) ensuring that the fund manager(s) of each Scheme of the Mutual Fund, will not play any role in the day-to-day operations of the AIF Fund, and the key investment team of the AIF Fund is not involved with the activities of the Mutual Fund; and (c) ensuring that there is no inter-se transfer of assets between the Mutual Fund and any Scheme of the AIF Fund.

The AMC offers management and/or advisory services to: (a) Category II foreign portfolio investors which are appropriately regulated broad based funds investing in India through fund manager(s) managing the Schemes of the Fund ("Business Activity") as permitted under Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time ("the Regulations"). The services provided by the AMC for the said Business Activity shall inter-alia include India focused research, statistical and analytical information, investment management and non-binding investment advice on portfolios. While, undertaking the said Business Activity, the AMC shall ensure that (i) there is no conflict of interest with the activities of the Fund; (ii) there exists a system to prohibit access to insider information as envisaged under the Regulations; and (iii) Interest of the Unit Holder(s) of the Scheme of the Fund are protected at all times.

## E. DEFINITIONS

The following definitions/terms apply throughout this SID unless the context requires otherwise:

<b>Account Statement</b>	A non-transferable statement indicating the number of units held by the investor on a particular date.
<b>Allotment Date</b>	The date on which allotment of the scheme unit is made to the successful applicants from time to time and includes allotment made pursuant to the New Fund Offer.
<b>AMC Fees</b>	Investment Management fee charged by the AMC to the Scheme.
<b>Applicable NAV</b>	Kindly refer section “B. ONGOING OFFER DETAILS” – “Cut off timing for subscription/redemption/switch out”
<b>Application Supported by Blocked Amount (ASBA)</b>	An application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Scheme. On intimation of allotment by the Registrar (Karvy) to the banker the investors account shall be debited to the extent of the amount due thereon.
<b>Asset Management Company (AMC)/ Investment Manager</b>	Mirae Asset Investment Managers (India) Private Limited, the asset management company, set up under the Companies Act, 2013, having its registered office at Unit No. 606, 6 <sup>th</sup> Floor, Windsor, Off. CST Road, Kalina, Santacruz (E), Mumbai – 400 098 authorized by SEBI to act as an Asset Management Company/Investment Manager to the schemes of Mirae Asset Mutual Fund.
<b>Beneficial owner</b>	As defined in the Depositories Act 1996 (22 of 1996) means a person whose name is recorded as such with a depository.
<b>Business Day</b>	A day not being: (a) A Saturday or Sunday; (b) A day on which the Stock Exchanges, the BSE and/or the NSE is closed; (c) A day on which Purchase and Redemption of Units is suspended or a book closure period is announced by the Trustee / AMC; or (d) A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time. (e) A day on which the banks and/or RBI are closed for business/clearing in India; All applications received on these non-business days will be processed on the next business day at Applicable NAV. The AMC reserves the right to change the definition of Business Day. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investors’ Service Centers.
<b>Custodian</b>	M/s. Deutsche Bank AG, Mumbai branch registered under the SEBI (Custodian of Securities) Regulations, 1996, or any other custodian who is approved by the Trustee.
<b>Collection Bank(s)</b>	The bank(s) with which the AMC has entered into an agreement, from time to time, to enable customers to deposit their applications for units during the NFO period. The names and addresses are mentioned at the end of this SID.
<b>Dematerialisation</b>	It is a process by which the number of units reflecting in the Statement of Account (SOA) of an investor are converted to an equivalent number of securities in electronic form and credited in the investors account with its Depository Participant.
<b>Cut-off time</b>	A time prescribed in this SID up to which an investor can submit a

	Purchase request / Redemption request, to be entitled to the Applicable NAV for that Business Day.
<b>Depository</b>	As defined in the Depositories Act, 1996 and includes National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL).
<b>Depository Participant</b>	Means a person/entity registered as such under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
<b>Depository Records</b>	As defined in the Depositories Act 1996 (22 of 1996) includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the said Act from time to time.
<b>Designated Collection Centers during the NFO</b>	Investors' Services Centers and Branches of AMC and Registrars designated by the AMC where the applications shall be received.
<b>Entry Load</b>	A Load charged to an investor on Purchase of Units based on the amount of investment per application or any other criteria decided by the AMC.
<b>Exit Load</b>	A Load charged to the Unit Holder on exiting (by way of Redemption) based on period of holding, amount of investment, or any other criteria decided by the AMC.
<b>Foreign Investors (FPI)</b>	FPI means a person who satisfies the eligibility criteria prescribed under Regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014.
<b>Fund / Mutual Fund/ Trust</b>	Mirae Asset Mutual Fund, a Trust registered with SEBI under the Regulations, vide Registration No. MF/055/07/03 dated November 30, 2007.
<b>Investor Service Centre / ISC</b>	Official points of acceptance of transaction / service requests from investors. These will be designated by the AMC from time to time. The names and addresses are mentioned at the end of this SID.
<b>Load</b>	A charge that may be levied to an investor at the time of Purchase of Units of the Scheme or to a Unit Holder at the time of Redemption of Units from the Scheme.
<b>Main Portfolio</b>	Means the Scheme portfolio excluding the segregated portfolio
<b>MIBOR</b>	Mumbai Interbank Offered rate. MIBOR is equivalent to daily call rate. It is the overnight rate at which funds can be borrowed and changes every day.
<b>Net Asset Value / NAV</b>	Net Asset Value of the Units of the Scheme (including options there under) calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time.
<b>New Fund Offer / NFO</b>	The offer for Purchase of Units at the inception of the Scheme, available to the investors during the NFO Period.
<b>Ongoing Offer</b>	Offer of Units under the Scheme when it becomes available for subscription after the closure of the NFO Period.
<b>Ongoing Offer Period</b>	The period during which the Units under the Scheme are offered for subscription/redemption after the closure of NFO Period.
<b>Purchase / Subscription</b>	Subscription to / Purchase of Units by an investor from the Fund.
<b>Purchase Price</b>	The price (being Applicable NAV) at which the Units can be purchased and calculated in the manner provided in this SID.
<b>Registrar and Transfer Agent</b>	KFin Technologies Private Limited appointed as the registrar and transfer agent for the Scheme, or any other registrar that may be appointed by the AMC.
<b>Redemption</b>	Repurchase of Units by the Fund from a Unit Holder.
<b>Redemption Price</b>	The price (being Applicable NAV minus Exit Load) at which the Units can be redeemed and calculated in the manner provided in this SID.

<b>Segregated Portfolio</b>	Means a portfolio comprising of debt or money market instrument affected by a credit event that has been segregated in MIRAE ASSET ARBITRAGE FUND
<b>Scheme</b>	MIRAE ASSET ARBITRAGE FUND (MAAF)
<b>Scheme Information Document (SID)</b>	This Scheme Information Document (SID) issued by Mirae Asset Mutual Fund offering units of MIRAE ASSET ARBITRAGE FUND for subscription. Any modifications to the SID will be made by way of an addendum which will be attached to the SID. On issuance of addendum, the SID will be deemed to be updated by the addendum.
<b>SEBI Regulations / Regulations</b>	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI and the Government of India.
<b>Securities</b>	As defined under Section 2(h) of the Securities Contracts (Regulations) Act, 1956 of India; and also include shares, stocks, bonds, debentures, warrants, instruments, obligations, money market instruments, debt instruments or any financial or capital market instrument of whatsoever nature made or issued by any statutory authority of body corporate, incorporated or registered by or under any law; or any other securities, assets or such other investments as may be permissible from time to time under the regulations.
<b>Self-Certified Syndicate Banks</b>	The list of banks that have been notified by SEBI to act as a SCSB for the ASBA process as provided on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
<b>Statement of Additional Information (SAI)</b>	The Statement of Additional Information (SAI) issued by Mirae Asset Mutual Fund containing details of Mirae Asset Mutual Fund, its constitution, and certain Tax and Legal issues and general information. SAI is incorporated by reference (is legally a part of SID). SID should be read in conjunction with SAI and not in isolation.
<b>Systematic Investment Plan (SIP)</b>	A Plan enabling investors to save and invest in the Scheme on a monthly / quarterly basis by submitting post-dated cheques/ payment instructions.
<b>Systematic Transfer Plan (STP)</b>	A Plan enabling Unit Holders to transfer sums on a monthly / quarterly basis from the Scheme to other schemes launched by the Fund from time to time by giving a single instruction.
<b>Systematic Withdrawal Plan (SWP)</b>	A Plan enabling Unit Holders to withdraw amounts from the Scheme on a monthly / quarterly basis by giving a single instruction.
<b>Trustee / Trustee Company</b>	Mirae Asset Trustee Company Private Limited, a company set up under the Companies Act, 1956, to act as the Trustee to Mirae Asset Mutual Fund.
<b>Trust Deed</b>	The Trust Deed dated October 11, 2007 made by and between the Sponsor and the Trustee, establishing Mirae Asset Mutual Fund, as amended from time to time.
<b>Unit</b>	The interest of an investor in the scheme consisting of each unit representing one undivided share in the assets of the scheme, and includes any fraction of a unit which shall represent the corresponding fraction of one undivided share in the assets of the Scheme.
<b>Unit Holder</b>	Any registered holder for the time being, of a Unit of the Scheme offered under this SID including persons jointly registered.
<b>Valuation Day</b>	Business Day.
<b>Words and Expressions used in this SID and not defined</b>	Same meaning as in the Trust Deed.



**F. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

- (i) This Scheme Information Document forwarded 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 proposed 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.

**For Mirae Asset Investment Managers (India) Private Limited**

Sd/-

**Rimmi Jain**

Compliance Officer

Date: May 21, 2020

Place: Mumbai

## II. INFORMATION ABOUT THE SCHEME

### A. TYPE OF THE SCHEME:

An open ended scheme investing in arbitrage opportunities

### B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.

There is no assurance or guarantee that the investment objective of the scheme will be realized.

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

Under normal circumstances, the asset allocation will be as follows:

Types of Instruments	Indicative allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Equities and Equity Linked instruments*	65%	90%	Medium to High
Derivatives including Index Futures, Stock Futures, Index Options and Stock Options	65%	90%	Medium to High
Debt securities and Money Market Instruments (including the margin money deployed in derivative transactions)	10%	25%	Low to Medium
Units issued by REITs & InvITs	0%	10%	Medium to High

Under defensive circumstances, the asset allocation will be as follows:

Types of Instruments	Indicative allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Equities and Equity Linked instruments*	0%	35%	Medium to High
Derivatives including Index Futures, Stock Futures, Index Options and Stock Options	0%	35%	Medium to High
Debt securities and Money Market Instruments (including the margin money deployed in derivative transactions)	65%	100%	Low to Medium
Units issued by REITs & InvITs	0%	10%	Medium to High

Defensive circumstances are when the arbitrage opportunities in the market are negligible, in view of the fund manager or returns are lower than alternative investment opportunities as per allocation pattern. The allocation under defensive considerations will be made keeping in view the interest of the unitholders.

- Investment in derivatives can be made upto 90% of the net assets of the scheme.
- The Scheme may invest in securitised debt upto 50% of debt portion.
- The Scheme may invest in Structured Obligations / Credit Enhancements not exceeding 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 participate in repo in corporate debt securities.

- The Scheme may engage in securities lending in accordance with the guidelines issued by SEBI. A maximum of 20% of net assets will be deployed in securities lending and the maximum single counterparty exposure will be restricted to 5% of net assets outstanding at any point of time.
- If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI.

The cumulative gross exposure of the Scheme through Equities and Equity Linked instruments, Derivatives, Debt securities and Money Market Instruments and Units issued by REITs & InvITs shall not exceed 100% of the net assets of the Scheme.

The Scheme may invest in the schemes of Mutual Funds in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time.

\*Equity allocation is measured as the Gross exposure to equities, equity related instruments and derivatives. The Equity allocation so built, at any point in time, would be completely hedged out, using derivative instruments that provides an equal but opposite exposure, thereby making the Net exposure market-neutral.

Subject to SEBI (MF) Regulations, the asset allocation pattern 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 can vary substantially depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive consideration only. In the event of deviations, portfolio rebalancing will be carried out within 30 calendar days. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

#### **Suspension of Purchase of Units and Right to limit redemption of Units:**

Subject to the approval of the Boards of the AMC and of the Trustee, and subject also to necessary communication of the same to SEBI, the determination of the NAV of the Units of the Scheme, and consequently of the Purchase and/or switching of Units, may be temporarily suspended in certain cases. For, further details please refer section on “(B)(6) Suspension of Purchase of Units” under section “V. TAX & LEGAL & GENERAL INFORMATION - B. LEGAL INFORMATION of SAI.

SEBI vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016 has laid down certain requirements to be observed before imposing restriction on redemptions. For, further details please refer section on “ONGOING OFFER DETAILS - Right to Limit redemption of Units in this SID.

#### **Investments in Scheme by AMC, Sponsor & Affiliates**

Subject to the Regulations, the AMC and investment companies managed by the Sponsor(s), their affiliates, their associate companies and subsidiaries may invest either directly or indirectly, in the Scheme during the NFO and/or on ongoing basis. However, the AMC shall not charge any investment management fee on such investment in the Scheme, in accordance with sub-regulation 3 of Regulation 24 of the Regulations and shall charge fees on such amounts in future only if the SEBI Regulations so permit. The affiliates, associates, the Sponsor, subsidiaries of the Sponsor and/or the AMC may acquire a substantial portion of the Scheme’s units and collectively constitute a major investment in the Schemes. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time and required by applicable regulations and also in accordance with SEBI Circular no. SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003 regarding minimum number of investors in the Scheme.

In terms of SEBI notification dated May 06, 2014, as per regulation 28, sub-regulation (4) the sponsor or AMC shall invest not less than 1% of the amount which would be raised in the NFO or Rs. 50 lakhs, whichever is less, in the scheme and such investment shall not be redeemed unless the scheme is wound up.

## Overview of Debt Markets in India

Indian fixed income market, one of the largest and most developed in South Asia, is well integrated with the global financial markets. Screen based order matching system developed by the Reserve Bank of India (RBI) for trading in government securities, straight through settlement system for the same, settlements guaranteed by the Clearing Corporation of India and innovative instruments like TREPS have contributed in reducing the settlement risk and increasing the confidence level of the market participants.

The RBI reviews the monetary policy six times a year giving the guidance to the market on direction of interest rate movement, liquidity and credit expansion. The central bank has been operating as an independent authority, formulating the policies to maintain price stability and adequate liquidity. Bonds are traded in dematerialized form. Credit rating agencies have been playing an important role in the market and are an important source of information to manage the credit risk.

Government (Central and State) is the largest issuer of debt in the market. Public sector enterprises, quasi government bodies and private sector companies are other issuers. Insurance companies, provident funds, banks, mutual funds, financial institutions, corporates and FPIs are major investors in the market. Government loans are available up to 40 years maturity. Variety of instruments available for investments including plain vanilla bonds, floating rate bonds, money market instruments, structured obligations and interest rate derivatives make it possible to manage the interest rate risk effectively.

Indicative levels of the instruments currently trading as on May 18, 2020 are as follows:

Instrument	Maturity	Tenure	Yield	Liquidity
TREPS / Repo	Short	Overnight	3.16	Very High
CP / CD / T Bills	Short	3 months CP	5.02*	High
		3 months CD	3.50	
		1 Year CP	5.85*	
		1 Year CD	4.60	
Central Government securities	Low to High	10 years	5.77	Medium

Source: Bloomberg. \*NBFC CP

## Participation in Repo in Corporate Debt

In accordance with SEBI Circulars No. CIR/IMD/DF/19/2011 dated November 11, 2011 and CIR/IMD/DF/23/2012 dated November 15, 2012 on 'Participation of mutual funds in repo in corporate debt securities', Mirae Asset Mutual Fund shall participate in repo transactions in Corporate Debt Securities within the following overall framework, as per the guidelines of Securities and Exchange Board of India and Boards of Mirae Asset Trustee Co. Pvt. Ltd. & Mirae Asset Investment Managers (India) Pvt. Ltd.

### (A) Gross Exposure Norms

(i) The gross exposure of the scheme to 'corporate bonds repo transactions' shall not be more than 10% of the net assets of the concerned scheme.

- (ii) The cumulative gross exposure through repo transactions in corporate debt, equity, debt and derivative positions should not exceed 100% of the net assets of the Scheme. However, cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.
- (iii) In addition to investment restrictions specified in SEBI (Mutual Funds) Regulations 1996, the counter-party exposure in a scheme, considering the investments held in the debt securities and value of collaterals held through repo transactions (as a lender), shall not be more than 10% of the Net Assets of the Scheme.

**(B) Category of the counter-party to be considered for making investment**

Eligible Counterparties: In accordance with the RBI Circular No. RBI/2009- 10/284 idmd.dod.05/11.08.38/2009- 10 dated January 8, 2010, the following categories of entities shall be deemed to be the eligible counterparties to undertake repo transactions in corporate debt securities, provided, they form part of the Fixed Income Investment Universe of Mirae Asset Mutual Fund, and subject to execution of master repo agreement:

- i) Any scheduled commercial bank excluding RRBs and LABs;
- ii) Any Primary Dealer authorized by the Reserve Bank of India;
- iii) Any non-banking financial company registered with the Reserve Bank of India (other than Government companies as defined in section 617 of the Companies Act, 1956);
- iv) All-India Financial Institutions, namely, Exim Bank, NABARD, NHB and SIDBI;
- v) Other regulated entities, subject to the approval of the regulators concerned, viz.,
  - 1. Any mutual fund registered with the Securities and Exchange Board of India;
  - 2. Any housing finance company registered with the National Housing Bank; and
  - 3. Any insurance company registered with the Insurance Regulatory and Development Authority.
- vi) other entities specifically permitted by the Reserve Bank.

**(C) Credit Rating of Counterparty to be considered for making investment**

The scheme/s shall carry out repo transactions with only those counterparties, who have a credit rating of 'AA and above' (Long term rating) or 'A1+' (Short term rating) which are part of our approved Debt Universe on which we have approved Credit Limits.

**(D) Tenor of Repo**

As a repo seller, the scheme/s can borrow for a period not more than six months as per the existing Regulation 44(2) of the SEBI (Mutual Funds) Regulations, 1996. As a repo buyer, the scheme/s can lend for a maximum period of one year, subject to provision/s of the Scheme Information Document (SID).

**(E) Tenor and Credit Rating of the Collateral**

The scheme/s shall participate in repo transactions in Corporate Bonds rated 'AA and above' ('A1+' in respect of money market instruments). The tenor of the collateral shall not be more than 10 years.

**(F) Minimum Haircut**

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

Listed corporate bonds and debentures shall carry a minimum haircut of 2% of market value. Additional haircut may be charged based on tenor and illiquidity of the security.

CPs and CDs shall carry a minimum haircut of 1.5% of market value.

Securities issued by a local authority shall carry a minimum haircut of 2% of market value. Additional haircut may be charged based on tenor and illiquidity of the security.

The above are minimum stipulated haircuts where the repo period is overnight or where the re-margining frequency (in case of longer tenor repos) is daily. In all other cases, Fund Manager may adopt appropriate higher haircuts.

Apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund does not follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector etc.

### **Creation of Segregated Portfolio**

Creation of segregated portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

1) Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

- a) Downgrade of a debt or money market instrument to 'below investment grade', or
- b) Subsequent downgrades of the said instruments from 'below investment grade', or
- c) Similar such downgrades of a loan rating

2) Segregated portfolio of unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount.

3) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as mentioned above and implemented at the ISIN level.

4) Creation of segregated portfolio is optional and is at the discretion of the Mirae Asset Investment Managers (India) Pvt Ltd.

### **Process for Creation of Segregated Portfolio**

1) On the date of credit event, the AMC shall decide on creation of segregated portfolio. Once AMC decides to segregate portfolio, it shall:

- a) seek approval of trustees prior to creation of the segregated portfolio.
- b) immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors.

The AMC will also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC.

c) ensure that till the time the trustee approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme will be suspended for processing with respect to creation of units and payment on redemptions.

2) Once Trustee approval is received by the AMC:

- a) Segregated portfolio will be effective from the day of credit event
- b) AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information will also be submitted to SEBI.
- c) An e-mail or SMS will be sent to all unit holders of the concerned scheme.
- d) The NAV of both segregated and main portfolios will be disclosed from the day of the credit event.



- e) All existing investors in the scheme as on the day of the credit event will be allotted equal number of units in the segregated portfolio as held in the main portfolio.
- f) No redemption and subscription will be allowed in the segregated portfolio. However, upon recovery of any money from segregated portfolio, it will be immediately distributed to the investors in proportion to their holding in the segregated portfolio.
- g) AMC should enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests
- h) Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.

3) If the trustees do not approve the proposal to segregate portfolio, AMC will issue a press release immediately informing investors of the same.

4) In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

#### **Benefits & Features of Creation of Segregated Portfolio:**

- 1) Creation of Segregated portfolio helps ensuring fair treatment to all investors in case of a credit event and helps in managing liquidity risk during such events;
- 2) Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio;
- 3) Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV;
- 4) A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio;
- 5) Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the scheme; and
- 6) The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

#### **Illustration of Segregated Portfolio**

Portfolio Date	31-May-19
Downgrade Event Date	31-May-19
Downgrade Security	8.65 % C Ltd from BBB+ to D
Valuation Marked Down	75%

Ms. A is holding 1000 Units of the Scheme with the NAV 10, equal to (1000\*10) Rs.10000

#### **Portfolio before the Downgrade Event**

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
8.80% A LTD	CRISIL AAA	NCD	10000000	101	10100	9.264
8.70 % B LTD	CRISIL AAA	NCD	12500000	99	12375	11.351
8.65 % C Ltd	CRISIL BBB+	NCD	15000000	95	14250	13.071

8.5% D Ltd	CRISIL AAA	NCD	16000000	100	16000	14.676
8.65 % E LTD	CRISIL AAA	NCD	10000000	101	10100	9.264
8.7 % F LTD	CRISIL AAA	NCD	8000000	99	7920	7.265
8.5 % G LTD	CRISIL AAA	NCD	11000000	98	10780	9.888
8.4 % H LTD	CRISIL AAA	NCD	9000000	101	9090	8.338
8.2 % I LTD	CRISIL AAA	NCD	8500000	100	8500	7.797
8.5 % J LTD	CRISIL AAA	NCD	9500000	99	9405	8.627
Cash / Cash Equivalents					500	0.459
Net Assets					109020	
No. of units in Lacs					10902	
NAV (Rs.)					<b>10.0000</b>	

The instrument "8.65 % C Ltd" was marked down by 75% on the date of credit event. Before being marked down, the security was valued at Rs.95 per unit. After the mark down, the security per unit will be valued at Rs. 25

On the date of the credit event i.e. on 31st May 2019, NCD of "8.65 % C Ltd" will be segregated as separate portfolio.

#### Main Portfolio as on 31st May 2019

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
8.80% A LTD	CRISIL AAA	NCD	10000000	101	10100	10.657
8.70 % B LTD	CRISIL AAA	NCD	12500000	99	12375	13.058
8.5% D Ltd	CRISIL AAA	NCD	16000000	100	16000	16.883
8.65 % E LTD	CRISIL AA	NCD	10000000	101	10100	10.657
8.7 % F LTD	CRISIL AAA	NCD	8000000	99	7920	8.357
8.5 % G LTD	CRISIL AAA	NCD	11000000	98	10780	11.375
8.4 % H LTD	CRISIL AAA	NCD	9000000	101	9090	9.592
8.2 % I LTD	CRISIL AAA	NCD	8500000	100	8500	8.969
8.5 % J LTD	CRISIL AAA	NCD	9500000	99	9405	9.924
Cash / Cash Equivalents					500	0.528
Net Assets					94770	
No. of units in Lacs					10902	
NAV (Rs.)					<b>8.6929</b>	

#### Segregated Portfolio as on 31st May 2019

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)
8.65 % C Ltd	CRISIL D	NCD	15000000	25	3750
Net Assets					3750
No. of units in Lacs					10902
NAV (Rs.)					<b>0.3440</b>

### Value of Holding of Ms A after creation of Segregated Portfolio

	<b>Main Portfolio</b>	<b>Segregated Portfolio</b>	<b>Total Value</b>
No of units	1000	1000	
NAV (Rs.)	8.69	0.344	
Total value (Rs.)	8692.90	343.97	9036.87

### Monitoring by Trustees

In order to ensure timely recovery of investments of the segregated portfolio, trustees would continuously monitor the progress and take suitable as it may be required.

In order to avoid mis-use of segregated portfolio, trustees will ensure to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including clawback of such amount to the segregated portfolio of the scheme.

### D. WHERE THE SCHEME WILL INVEST?

#### Equity and Equity Related Instruments:

Equity include convertible debentures, equity warrants, convertible preference shares, equity derivatives etc.

1. Equity share is a security that represents ownership interest in a company.
2. Equity Related Instruments are securities which give the holder of the security right to receive Equity Shares on pre-agreed terms. It includes equity warrants.

The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations

#### Debt & Money Market Instruments:

The Scheme will invest in debt and money market instruments. It retains the flexibility to invest across all the securities in the debt and money markets.

Debt securities and Money Market Instruments will include but will not be limited to:

- a. Securities created and issued by the Central and State Governments as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- b. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- c. Debt securities of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.

- d. Corporate debt (of both public and private sector undertakings).
- e. Obligations/ Term Deposits of banks (both public and private sector) and development financial institutions.
- f. Money market instruments permitted by SEBI/RBI or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
- g. Certificate of Deposits (CDs).
- h. Commercial Paper (CPs). A part of the net assets may be invested in the TREPS or in an alternative investment as may be provided by RBI to meet the liquidity requirements.
- i. The non-convertible part of convertible securities.
- j. Any other domestic fixed income securities as permitted by SEBI / RBI from time to time.
- k. 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 Investment Manager will invest only in those debt securities that are rated investment grade by a domestic credit rating agency authorized to carry out such activity, such as CRISIL, ICRA, CARE, FITCH, etc. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals.

The Scheme shall not enter into any repurchase and reverse repurchase obligations in all securities held by it. The scheme does not intend to invest into any credit default swaps.

#### **Investment in Derivatives:**

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

- **Hedging & Portfolio balancing**

As part of the fund management exercise under the Scheme, the Trustee may permit the use of any of the instruments mentioned above or any other instrument that may become permissible in the future under applicable regulations. Such investment in Index futures, Interest Rate Swaps, Stock options, Index Options, Stock Futures and other derivative instruments will be used with the objective of a) hedging the portfolio and/or b) rebalancing of the portfolio of the Scheme or c) for any other purpose as may be permitted by the Regulations from time to time.

The note below explains the concept of Index Futures, Options and Interest Rate Swaps, with an example each, for the understanding of the Unitholders.

- **Futures**

A futures contract is an agreement between the buyer and the seller for the purchase and sale of a particular asset at a specific price on a specific future date. The price at which the underlying asset would change hands in the future is agreed upon at the time of entering into the contract. The actual purchase or sale of the underlying asset involving payment of cash and delivery of the instrument does not take place until the contracted date of delivery. A futures contract involves an obligation on both the parties to fulfill the terms of the contract.

Currently, futures contracts have a maximum expiration cycle of 3-months. Three contracts are available at any time for trading, with 1 month, 2 months and 3 months expiry respectively. Futures contracts typically expire on the last Thursday of the month. For example, a contract with the January expiration expires on the last Thursday of January.

A futures contract on the stock market index gives its owner the right and obligation to buy or sell the portfolio of stocks characterized by the index. Stock index futures are cash settled; there is no delivery of the underlying stocks.

Let us assume that the Nifty Index at the beginning of the month October 2018 was 5070 and three index futures as under were available:

Expiry Month	Bid Price	Offer Price
October 18	5075	5080
November 18	5085	5090
December 18	5095	5100

The Scheme could buy an index future of October, 2018 at the offer price of Rs. 5080. The Fund will be required to pay the initial margin as required by the exchanges.

The following is a hypothetical example of a typical trade in index future and the costs associated with the trade.

Particulars	Index Future	Actual Purchase of Stocks
Index as on beginning October 2018	5070	5070
October 2018 Futures Price	5080	-
1.Carry Cost associated with Futures	10 (5080-5070)	
2.Brokerage Cost @ 0.02% for Index Future and 0.03% for Cash Markets	1.016 (0.02% of 5080)	1.521 (0.03% of 5070)
3.Securities Transaction Tax (STT) STT on purchase of index futures – NIL STT on purchase of stocks – 0.025%	NIL (0% of 5080)	1.2675 (0.025% of 5070)
4.Gain on Surplus Funds (Assumed 6% returns on 75% of the money left after paying margin of 25%)	18.74 (6%*(100% of 5070 – 25% of 5080)*30/365)	NIL
Spot Market Price at the expiry of October Contract	5569	5569
5.Brokerage Cost on Sale @ 0.02% for Index Future and 0.03% for Cash Markets	1.114 (0.02% of 5569)	1.671 (0.03% of 5569)
6.Securities Transaction Tax STT on sale of index future – 0.025% STT on sale of stocks – 0.025%	1.114 (0.025% of 5569)	1.392 (0.025% of 5569)
Total Cost (1+2+3-4+5+6)	-5.50	5.85

Please note that the above example is based on assumptions and is used only for illustrative purposes (including an assumption that there will be a gain pursuant to investment in index futures). As can be seen in the above example, the costs associated with the trade in futures are less than that associated with the trade in actual stock. Thus, in the above example the futures trade seems to be more profitable than the trade in actual stock. However, buying of the index future may not be beneficial as compared to buying stocks if the execution and brokerage costs on purchase of index futures are high and the return on surplus funds are low. The actual returns may vary based on actuals and depends on final guidelines / procedures and trading mechanism as envisaged by stock exchanges and other regulatory authorities.

## Use of futures

Futures can effectively be used as a substitute for underlying stocks e.g. if the Scheme has received fresh subscriptions and if it is not immediately possible to invest the cash so received into intended stocks, the Fund Manager can buy a Future contract and subsequently replace them by actual purchase of stocks.

The reverse can be done in case of redemption of Units.

The Scheme typically holds cash in order to meet sudden redemption requests. This cash holding reduces the overall returns of the Scheme. By buying futures relative to this cash holding the Scheme can effectively increase its exposure to the market while keeping the cash required to meet redemption requirement.

Futures will be used to hedge or rebalance the Portfolio or as permitted by the Regulations from time to time.

## • Options

An option is a contract which provides the buyer of the option (also called the holder) the right, without the obligation, to buy or sell a specified asset at an agreed price on or upto a particular date. For acquiring this right the buyer has to pay a premium to the seller. The seller on the other hand has the obligation to buy or sell that specified asset at the agreed price. The premium is determined considering number of factors such as the underlying asset's market price, the number of days to expiration, strike price of the option, the volatility of the underlying asset and the risk less rate of return. The strike price, the expiration date and the market lots are specified by the exchanges.

An option contract may be of two kinds, viz., a call option or a put option. An option that provides the buyer the right to buy is a call option. The buyer of the call option (known as the holder of the option) can call upon the seller of the option (known as writer of the option) and buy from him the underlying asset at the agreed price at any time on or before the expiry date of the option. The seller of the option has to fulfill the obligation on exercise of the option.

The right to sell is called a put option. Here, the buyer of the option can exercise his right to sell the underlying asset to the seller of the option at the agreed price.

Options are of two types: European and American. In a European option, the holder of the option can only exercise his right on the date of expiration. In an American option, he can exercise this right anytime between the purchase date and the expiration date.

## Example of options

**Buying a Call option:** Assume that the Scheme buys a call option at the strike price of Rs. 5,000 and pays a premium of Rs. 100. If the market price of the underlying stock on the date of expiry of the option is Rs. 5,400 (i.e. more than Rs. 5,000 which is the strike price of an option), the Scheme will exercise the option. However, it may not result into profit. The profit is made only in those circumstances when the intrinsic value (5400 (spot price)-5000(strike price)) is greater than cost paid i.e. option premium (100). If on the date of the expiry of the option, the market price of the underlying stock is Rs. 4,900, the Scheme will not exercise the option and it shall lose the premium of Rs. 100.

Thus, in the above example, the loss for the Scheme, as the buyer of the option, is limited to the premium paid by him while the gains are unlimited.

**Writing a Call Option:** Assume that the Scheme writes a call option at the strike price of Rs. 5,000 and earns a premium of Rs. 100. If the market price of the underlying stock on the date of expiry increases to Rs. 5,400 (i.e. more than Rs. 5,000) then the option is exercised. The Scheme earns the premium of Rs. 100/- but loses the difference between the market price and the exercise price i.e. Rs. 400/-. In case the



market price of the underlying stock decreases to Rs. 4,900, the Scheme gets to keep the premium of Rs.100.

**Buying a Put Option:** Assume that the Scheme buys a put option at the strike price of Rs. 5,000 and pays a premium of Rs. 100. If the market price of the underlying stock decreases to Rs. 4,850 (i.e. less than strike price of 5000) the Scheme would be protected from the downside and would exercise the put option. However, it may not result into profit. The profit is resulted only when the intrinsic value (5000 (strike price)– 4850(spot price)) is greater than the cost paid i.e. option premium of 100. Whereas if the stock price moves up to say Rs. 5,150 the Scheme may let the option expire and forego the premium.

A forward contract is a transaction in which the buyer and the seller agree upon the delivery of a specified quality (if commodity) and quantity of underlying asset at a predetermined rate on a specified future date.

Please note that the above examples are based on assumptions and are used only for illustrative purposes.

Risks associated with investment strategy which may be followed by the fund managers for investment in derivatives:

Execution of investment strategies depends upon the ability of the fund manager to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable.

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.

### **Covered Call Option:**

A call option gives the holder (buyer) the right but not the obligation to buy an asset by a certain date for a certain price. Covered calls are an options strategy where a person holds a long position in an asset and writes (sells) call options on that same asset.

### **Benefits of using Covered Call strategy in Mutual Funds:**

The covered call strategy can be followed by the Fund Manager in order to hedge risk thereby resulting in better risk adjusted returns of the Scheme. The strategy offers the following benefits: a) Hedge against market risk - Since the fund manager sells a call option on a stock already owned by the mutual fund scheme, the downside from fall in the stock price would be lower to the extent of the premium earned from the call option. b) Generating additional returns in the form of option premium in a range bound market. Thus, a covered call strategy involves gains for unit holders in case the strategy plays out in the right direction

### **Illustration:**

As on 01st Mar 2019		Prices in INR
Strategy	Total Quantity	Price
Stock XYZ in the portfolio	10000	500
Sold Call Option (Mar 2019 Expiry on the stock XYZ with the strike price at 550)	500	10

Payoffs	Payoff from the Call option	Impact on the portfolio due to the covered call strategy
On the day of Expiry of Options Contract if the stock price is less than or equal to 550	$500 \times 10 = 5000$	Extra Income of INR 5000 other than the stock return
On the day of Expiry of Options Contract if the stock price is between 550-560	$500 \times (10 - \text{price more than } 550)$	Extra Income between INR 0 to 5000 other than the stock return depending on the price above 550 and below 560
On the day of Expiry of Options Contract if the stock price is more than 560	$500 \times (560 - \text{stock price})$	Loss on Call options would be such that price appreciation for 500 stock in the portfolio would be negated for the price above 560

The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Covered call can benefit generation of income without added market risk. If we make a comparison between covered call and simply owning shares of stock, it demonstrates that income from added covered call discounts the basis in stock, thus reducing market risk.

### Interest Rate Futures (IRFs)

Interest Rate Futures (IRF) contract is an agreement to buy or to sell a debt instrument at a specified future date at a price that is fixed today. Exchange traded IRFs are standardised contracts based on a notional coupon bearing Government of India (GOI) security. National Securities Clearing Corporation Limited (NSCCL) is the clearing and settlement agency for all deals executed in Interest Rate Futures. NSCCL acts as legal counter-party to all deals on Interest Rate Futures contract and guarantees settlement.

### Hedging

Holders of the GOI securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts.

Example:

Date: 01-April-2017

Spot price of GOI Security: Rs 105.05

Futures price of IRF Contract: Rs 105.12

On 01-April-2017 XYZ bought 2000 GOI securities from spot market at Rs 105.07. He anticipates that the interest rate will rise in near future. Therefore to hedge the exposure in underlying market he may sell May 2017 Interest Rate Futures contracts at Rs 105.12

On 16-May-2017 due to increase in interest rate:

Spot price of GOI Security: Rs 104.24

Futures Price of IRF Contract: Rs 104.28

Loss in underlying market will be  $(104.24 - 105.05) \times 2000 = \text{Rs } 1620$

Profit in the Futures market will be  $(104.28 - 105.12) \times 2000 = \text{Rs } 1680$

## Arbitrage

Arbitrage is the price difference between the bonds prices in underlying bond market and IRF contract without any view about the interest rate movement. One can earn the risk-less profit from realizing arbitrage opportunity and entering into the IRF contract.

Example:

On 18<sup>th</sup> April, 2017 buy 6.35% GOI '20 at the current market price of Rs. 97.2485

Step 1 - Short the futures at the current futures price of Rs. 97.80

Step 2 - Fund the bond by borrowing up to the delivery period (assuming borrowing rate is 8.00%)

Step 3 - On 10<sup>th</sup> May 2017, give a notice of delivery to the exchange

Under the strategy, the trader has earned a return of

$$= (97.800 - 97.2485) / 97.2485 * 365 / 23$$

$$= 9.00 \% \text{ (implied repo rate)}$$

(Note: For simplicity accrued interest is not considered for calculation)

Against its funding cost of 8.00% (borrowing rate), thereby earning risk free arbitrage.

## Interest Rate Swap (IRS)

IRS is a widely used derivative product in the financial markets to manage interest rate risk. A typical transaction is a contract to exchange streams of interest rate obligation/income on a notional principal amount with a counter party, usually a bank. The two interest streams are, fixed rate on one side and floating rate on the other.

Example: Suppose the Fund holds a fixed rate bond of maturity 5 years carrying a fixed interest rate (coupon) of 6% p.a. payable half yearly. Such an investment runs the risk of depreciation if interest rates rise. To manage this risk, the Fund can enter into an IRS with another market participant, here the Fund contracts to pay fixed rate, say 5.25% p.a., and receive a floating rate (say overnight MIBOR). This transaction is done for a notional principal amount equal to the value of the investment. By such a contract a fixed rate income is offset by a fixed rate payment obligation leaving only a floating rate income stream. Thus, without actually investing in a floating rate asset, the Fund starts earning a floating rate income, reducing the risk of depreciation associated with the fixed rate investment. Following table summarises the cash flow streams:

Original investment	6% p.a.
Pay (Fixed rate)	5.25% p.a. (IRS)
Receive (Floating rate)	MIBOR
Net Flow	MIBOR + 0.75% p.a. (*)

\* (6% p.a. – 5.25 % p.a.)

The floating rate reference is defined in the swap agreement.

The above example illustrates a case of fixed to floating rate swap. A swap could be done to move from floating rate to fixed rate in a similar fashion.

Please note that the above example is hypothetical in nature and the interest rates are assumed.

The actual return may vary based on actual and depends on the interest rate prevailing at the time the swap agreement is entered into.

The Scheme will be allowed to take exposure in Interest Rate Swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio.

The Scheme may use other derivatives such as interest rate futures, etc, to meet the investment objective of the Scheme, whenever such instruments are available in the market.

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

The scheme will seek to achieve its investment objective primarily by employing various strategies which seek to exploit available arbitrage opportunities in markets. If suitable arbitrage opportunities are not available in the opinion of the Fund Manager, the scheme may predominantly invest in debt and money market securities.

The market provides opportunities to the investor to derive returns from the implied cost of carry between the underlying cash market and the derivatives market. This provides for opportunities to generate returns that are possibly higher than short term interest rates with minimal active price risk on equities. Implied cost of carry and spreads across the spot, futures and options markets can potentially lead to profitable arbitrage opportunities. The Scheme would carry out arbitrage strategies, which would entail taking offsetting positions in the various markets simultaneously. The arbitrage strategy can also be on account of buy-back of shares announced by a company and/or differences in prices between two exchanges/markets. In this case the arbitrage strategy will not include an offsetting derivatives transaction.

The Investment Manager will use a disciplined quantitative analysis while accessing arbitrage opportunities. The Investment Manager will have an effective risk monitoring and control process to ensure adherence to regulatory guidelines and limits.

The arbitrage strategies the Fund may adopt could be as under. The list is not exhaustive and the Fund could use similar strategies and any other strategies as available in the markets.

### **(a) Index/ Stock spot – Index/ Stock Futures:**

This strategy is employed when the price of the future is trading at premium to the price of its underlying in spot market. The Scheme shall buy the stock in spot market and endeavour to simultaneously sell the future at a premium on a quantity neutral basis.

Buying the stock in spot 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 spot market. Thus there is a convergence between the spot price and the futures market on expiry. This convergence helps the Scheme to generate the arbitrage return locked in earlier.

On or before the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously.

Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity, and holding onto the spot position.

### **(b) 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 investment 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.

### **(c) Corporate Action / Event Driven Strategies:**

#### **I. Dividend Arbitrage**

At the time of declaration of dividend, the stock futures / options market can provide a profitable opportunity. Generally, the stock prices decline by the dividend amount when the stock becomes ex-dividend.

#### **II. Buy-Back/ Open Offer Arbitrage**

When the Company announces the buy-back or open offer of its own shares, there could be opportunities due to price differential in buyback price and traded price.

#### **III. Merger**

When the Company announces any merger, amalgamation, hive off, de-merger, etc, there could be opportunities due to price differential in the cash and the derivative market.

### **(d) Portfolio Hedging:**

This strategy will be adopted:

(i) If in an already invested portfolio of a Scheme, the Investment manager is expecting a market correction, the Investment manager may sell Index Futures to insulate the portfolio from the market related risks.

(ii) If there are significant inflows to the Scheme and the market expectations are bullish, the Investment manager may buy Index Futures to continue participation in the equity markets. This strategy is used to reduce the time to achieve the desired invested levels.

Though every endeavor will be made to achieve the objective of the Scheme, the AMC / Sponsors / Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

### **RISK CONTROL**

Investments made from the net assets of the Scheme would be in accordance with the investment objective of the Scheme and the provisions of the SEBI (MF) Regulations. The AMC will strive to achieve the investment objective by way of a judicious portfolio mix comprising of Debt and Money Market Instruments. Every investment opportunity in Debt and Money Market Instruments would be assessed with regard to credit risk, interest rate risk, liquidity risk, derivatives risk and concentration risk.

### **Policy for Investment decisions**

The investment policy of the AMC has been determined by the Investment Committee ("IC") which has been ratified by the Boards of the AMC and Trustee. At the strategic level, the broad investment philosophy of the AMC and the authorized exposure limits are spelt out in the Investment Policy of the AMC. During trading hours, the Fund Managers have the discretion to take investment decisions for the Scheme within the limits defined in the Investment Policy, these decisions and the reasons thereof are communicated to the CEO for post facto approval.

The designated Fund Manager(s) of the Scheme will be responsible for taking day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.

### **Portfolio Turnover Policy**

The Scheme is an open-ended Scheme. It is expected that there would be a number of subscriptions and redemptions on a daily basis. Further, in the debt market, trading opportunities may arise due to changes in system liquidity, interest rate policy announced by RBI, shifts in the yield curve, credit rating changes or any other factors. In the opinion of the fund manager these opportunities can be utilized to enhance the total return of the portfolio. The fund manager would endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost and overall scheme objective. The Scheme has no specific target relating to portfolio turnover.

## **F. FUNDAMENTAL ATTRIBUTES**

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

### **(i) Type of Scheme:**

An open ended scheme investing in arbitrage opportunities

### **(ii) Investment Objective:**

The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.

There is no assurance or guarantee that the investment objective of the scheme will be realized

### **(iii) Asset allocation:** Please refer to 'Section II - C. Asset Allocation and Investment Pattern' of this SID for details.

### **(iv) Terms of Issue:**

#### **(a) Listing:**

The Scheme being open ended, the Units are not proposed to be listed on any stock exchange and no transfer facility is provided.

#### **(b) Redemption of Units:**

The Unit Holder has the option to request for Redemption either in amount in rupees or in number of Units. The minimum redemption amount shall be 'any amount' or 'any number of units' as requested by the investor at the time of redemption request.

#### **Redemption Price:**

The Redemption Price of the Units is the price at which a Unit Holder can redeem Units of a scheme. It will be calculated as described below:

Redemption Price = Applicable NAV - (Applicable NAV x Exit Load\*)

\* Exit Load, whatever is applicable, will be charged.



Redemption Price will be calculated for up to three decimal places for the Scheme.

For example, if the Applicable NAV of a Scheme is Rs.10.555, and it has a 2% Exit Load, the Redemption Price will be calculated as follows:

$$\text{Redemption Price} = 10.555 - (10.555 \times 2.00\%) \text{ i.e. } 10.455 - 0.211 = 10.344$$

If the Scheme has no Exit Load, the Redemption Price will be equal to the Applicable NAV.

The Securities Transaction Tax levied under the Income Tax Act, 1961, at the applicable rate on the amount of redemption will be reduced from the amount of redemption.

**To illustrate:**

If a Redemption of 4,900 units is sought by the Unit Holder at a Redemption Price of Rs. 10.3440 (as calculated above), the redemption amount is Rs. 50,685.60. Securities Transaction Tax (STT) for instance is 0.001%. This will be further reduced by the STT of Re. 0.50 (i.e. Rs. 50,685.60 x 0.001%), making the net redemption amount Rs. 50,685.10.

If a Redemption of Rs. 10,000 is sought by the Unit Holder at a Net Redemption Price of Rs. 10.3440 (as calculated above), which will give 966.744 Units; the effective redemption amount will be grossed up to Rs. 10,204.08 (i.e.  $10,000 \div (1-2\%)$ ) and 966.744 units ( $10,204.08 \div 10.555$ ) will be redeemed. This is to ensure that the Unit Holder receives the net amount of Rs. 10,000 as desired.

Investors may note that the Trustee has a right to modify the existing Load structure in any manner subject to a maximum as prescribed under the Regulations and with prospective effect only.

Please refer section – LOAD STRUCTURE.

Applicable NAV for Redemption / Switch-Out / Systematic Transfer Plan:

- In respect of valid Redemption applications accepted at a Designated Collection Centre up to 3 p.m. on a Business Day, the NAV of such day will be applicable.
- In respect of valid Redemption applications accepted at a Designated Collection Centre after 3 p.m. on a Business Day, the NAV of the next Business Day will be applicable.

**(c) Aggregate fees and expenses charged to the scheme:**

For detailed fees and expenses charged to the scheme please refer to section ‘Fees and Expenses’.

- (d)** The Scheme does not provide any safety net or guarantee to the investors. There is no assurance OR guarantee of returns.

**Change in the fundamental attributes of the Schemes:**

In accordance with Regulation 18(15A) of the Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme or the Fund or the fees and expenses payable or any other change which would modify the Scheme and affect the interest of the Unit Holders will be carried out unless:

- A written communication about the proposed change is sent to each Unit Holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a Marathi daily newspaper with wide circulation published in Mumbai (as the head office of the Fund is situated there); and
- The Unit holders are given an option to exit for a period of 30 days to exit at the prevailing Net Asset Value without any exit Load.

Fundamental attributes will not cover changes to the Scheme made in order to comply with changes in regulation with which the Scheme has been required to comply.

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

The performance of the scheme will be benchmarked to the performance of the NIFTY 50 Arbitrage Index

#### **Rationale for adoption of benchmark:**

The Trustees have adopted NIFTY 50 Arbitrage Index as the benchmark index.

It has been selected as the benchmark as it is the most appropriate index among the options. The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.

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

Sr. No.	Particulars	Details
i.	Name	Mr. Jignesh Rao (Equity portion)
ii.	Age	38 Years
iii.	Qualification	B.SC., PGDBA
iv.	Last 10 years' experience	Mr. Jignesh N Rao has more than 15 years of experience in the field of Equity dealing. Prior to this assignment, Mr. Rao was associated with Motilal Oswal Asset Management Company Ltd. as Dealer – Equity.  Mr. Rao does not manage any other scheme of Mirae Asset Mutual Fund.

Sr. No.	Particulars	Details
i.	Name	Mr. Jigar Shethia (Equity portion)
ii.	Age	34 Years
iii.	Qualification	BCOM & CFA Level 3
iv.	Last 10 years' experience	Mr. Jigar Bharat Shethia has more than 14 years of experience in the field of Equity dealing. Prior to this assignment, Mr. Shethia was associated with Sushil Financial Services Pvt Ltd as Assistant Manager – Equity.  Mr. Shethia does not manage any other scheme of Mirae Asset Mutual Fund.

Sr. No.	Particulars	Details
i.	Name	Mr. Mahendra Kumar Jajoo (Debt portion) Head – Fixed Income
ii.	Age	50 Years
iii.	Qualification	ACA, ACS, CFA
iv.	Last 10 years' experience	Mr. Mahendra Kumar Jajoo is the Head – Fixed Income of Mirae Asset Investment Managers (India) Private Limited.  He has over 27 years of experience in the field of financial services. He is overall responsible for supervising all Debt schemes of the Mirae Asset Mutual Fund. Prior to this assignment, Mr. Jajoo was Director with AUM Capital Markets Ltd. He has also been associated with

	<p>organizations like Pramerica Asset Managers Ltd., Tata Asset Management Ltd., ABN AMRO Asset Management Ltd and ICICI Group.</p> <p>The other schemes being managed by Mr. Jajoo are:</p> <ol style="list-style-type: none"> <li>1. Mirae Asset Savings Fund</li> <li>2. Mirae Asset Cash Management Fund</li> <li>3. Mirae Asset Dynamic Bond Fund</li> <li>4. Mirae Asset Hybrid Equity Fund (Debt portion)</li> <li>5. Mirae Asset Fixed Maturity Plan - Series III – 1122 days</li> <li>6. Mirae Asset Equity Savings Fund (debt portion)</li> <li>7. Mirae Asset Overnight Fund</li> <li>8. Mirae Asset Short Term Fund</li> </ol>
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## I. WHAT ARE THE INVESTMENT RESTRICTIONS?

The following investment limitations and other restrictions, inter alia, as contained in the Trust Deed and the Regulations apply to the Scheme:

- A mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company. Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and TREPS. Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with the Board.
- No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights.
- 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. shall be subject to the following:
  - a. Investments shall only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
  - b. Exposure in such instruments, shall not exceed 5% of the net assets of the scheme.
  - c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.
- The total exposure of debt schemes in a particular sector (excluding investments in Bank CDs, Tri-party repo, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. However, the scheme(s) may have an additional exposure to financial services sector (over and above the sectoral limit of 20%) not exceeding 10% of its net assets by way of increase in exposure to Housing Finance Companies (HFCs) registered with National Housing Bank. Such additional exposure shall be to securities issued by HFCs which are rated AA and above. Further, the Scheme may have an additional exposure of 5% of the net assets of the scheme for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. The total investment / exposure in HFCs shall not exceed 20% of the net assets of the scheme(s).

- The Mutual Funds/AMCs shall ensure that total exposure of debt schemes in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.

The investments by the Scheme in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.

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

- Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments.
- The Scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management or in schemes under the management of any other asset management company shall not exceed 5% of the NAV of the mutual fund.
- Pending deployment of funds of a scheme in securities in terms of investment objectives of the scheme a mutual fund can invest the funds of the scheme in short term deposits of scheduled commercial banks. The investment in these deposits shall be in accordance with SEBI Circular dated April 16, 2007, June 23, 2008, August 16, 2019 and September 20, 2019.
- The mutual fund shall not borrow except to meet temporary liquidity needs of the mutual funds for the purpose of repurchase, redemption of units or payment of interest or dividend to the unitholders. Provided that the mutual fund shall not borrow more than 20 per cent of the net asset of the scheme and the duration of such a borrowing shall not exceed a period of six months.
- The Scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc.

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

- The investment of mutual fund schemes in below instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:
  - a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
  - b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.
- Investment 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.
- Inter scheme transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if 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. The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

- The scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities; Further, the scheme shall not engage in short selling or securities lending and borrowing scheme. Provided that the scheme shall also not enter into derivatives transactions.
- The Scheme 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: a) Any unlisted security of an associate or group company of the Sponsor; or b) Any security issued by way of private placement by an associate or group company of the sponsor; or c) The listed securities of group companies of the Sponsor which is in excess of 25% of the net assets.
- The scheme shall not make any investment in any fund of funds scheme.
- The Mutual Fund having an aggregate of securities which are worth Rs.10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by SEBI, settle their transactions entered on or after January 15, 1998 only through dematerialized securities. Further, all transactions in government securities shall be in dematerialized form.

As per SEBI Circular SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007, SEBI Circular SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2019/101 dated September 20, 2019:

- Total investment of the Scheme in Short term deposit(s) of all the Scheduled Commercial Banks put together shall not exceed 15% of the net assets. However, this limit can be raised upto 20% of the net assets with prior approval of the trustees. Further, investments 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.
- “Short Term” for parking of funds by Mutual Funds shall be treated as a period not exceeding 91 days
- The Scheme shall not invest more than 10% of the net assets in short term deposit(s), of any one scheduled commercial bank including its subsidiaries.
- The Scheme shall not invest in short term deposit of a bank which has invested in that Scheme. AMC shall also ensure that the bank in which a scheme has Short term deposit do not invest in the said scheme until the scheme has Short term deposit with such bank.
- Asset Management Company (AMC) shall not be permitted to charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- The investments in short term deposits of scheduled commercial banks will be reported to the Trustees along with the reasons for the investment which, inter-alia, would include comparison with the interest rates offered by other scheduled commercial banks. Further, AMC shall ensure that the reasons for such investments are recorded in the manner prescribed in SEBI Circular MFD/CIR/6/73/2000 dated July 27, 2000.
- The Scheme will comply with SEBI regulations and any other regulations applicable to the investments of Funds from time to time. The Trustee may alter the above restrictions from time to

time to the extent that changes in the regulations may allow. All investment restrictions shall be applicable at the time of making investment.

- The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.

### Investments Limitations and Restrictions in Derivatives

In accordance with SEBI Circular dated August 18, 2010, the following investment restrictions shall apply with respect to investment in Derivatives:

Sr. No.	Particulars								
1	The cumulative gross exposure through equity, debt and derivative positions, units issued by REITs & InvITs will not exceed 100% of the net assets of the scheme. However, cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.								
2	The Scheme shall not write options or purchase instruments with embedded written options except call options under a covered call strategy as specified in SEBI circular dated January 16, 2019 as amended from time to time.								
3	The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.								
4	Exposure due to hedging positions may not be included in the above mentioned limits subject to the following: <ol style="list-style-type: none"> <li>Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.</li> <li>Hedging positions shall not be taken for existing derivative positions. Exposure due to such positions shall be added and treated under gross cumulative exposure limits mentioned under Point 1.</li> <li>Any derivative instrument used to hedge shall have the same underlying security as the existing position being hedged.</li> <li>The quantity of underlying associated with the derivative position taken for hedging purposes shall not exceed the quantity of the existing position against which hedge has been taken.</li> </ol>								
5	The Scheme may enter into interest rate swaps for hedging purposes. The counter party in such transactions shall be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions shall not exceed 10% of the net assets of the scheme.								
6	Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under gross cumulative exposure limits mentioned under Point 1.								
7	Each position taken in derivatives shall have an associated exposure as defined below. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows: <table border="1" data-bbox="357 1606 1396 1738"> <thead> <tr> <th>Position</th><th>Exposure</th></tr> </thead> <tbody> <tr> <td>Long Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr> <tr> <td>Short Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr> <tr> <td>Option bought</td><td>Option Premium Paid * Lot Size * Number of Contracts</td></tr> </tbody> </table>	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
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								
8	Derivatives transactions shall be disclosed in the half-yearly portfolio / annual report of the schemes in line with requirements under SEBI Regulations.								

Apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund does not follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector etc.



## **J. HOW HAS THE SCHEME PERFORMED?**

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

## **K. ADDITIONAL SCHEME RELATED DISCLOSURE(S):**

This is a new Scheme and therefore, the requirement of following additional disclosures shall not be applicable for the Scheme:

A. The tenure for which the fund manager has been managing the Scheme;

B. Portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors), along with a website link to obtain Scheme's latest monthly portfolio holding;

C. Portfolio turnover ratio

D. The aggregate investment in the Scheme under the following categories:

- i. AMC's Board of Directors
- ii. Fund Manager(s) and
- iii. Other key managerial personnel

## **III UNITS AND OFFER**

This section provides details you need to know for investing in the scheme.

### **A. NEW FUND OFFER**

New Fund Offer (NFO) Period	NFO for Mirae Asset Arbitrage Fund: opens on 03/06/2020 closes on 12/06/2020
This is the period during which a new scheme sells its units to the investors	<p>Subscription through digital platforms including AMC website and all channel partners and transactions through exchange platforms will be accepted till 11:59 pm of 12/06/2020.</p> <p>Switch transactions will be only accepted till 12/06/2020 (15:00 hrs. The cut-off time may change depending on the SEBI/RBI communication on cut-off timings).</p> <p>The Trustee may close subscription list earlier by giving at least one day's notice in one daily national newspaper. The Trustee reserves the right to extend the closing date of the NFO Period, subject to the condition that the entire NFO period including the extension, shall not be kept open for more than 15 days. Any such extension shall be announced by way of a notice – cum – addendum as prescribed by the SEBI regulation.</p> <p>As per SEBI circular no. SEBI/HO/IMD/DF2 /CIR/P/2016/42 dated March 18, 2016, the AMC may deploy the NFO proceeds in TREPS before the closure of NFO period. However, AMCs shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period. The appreciation received from investment in TREPS shall be passed on to investors.</p>
New Fund Offer Price This is the price per unit that the investors have to pay to	Offer for units of Rs. 10/- each

invest during the NFO	
Minimum Amount for Application in the NFO	Investors can invest under the Scheme with a minimum investment of Rs. 5000/- and in multiples of Re. 1/- thereafter.
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 within 5 business days from the closure of NFO. However, if AMC fails to refund the amount 5 business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the subscription period.	The Scheme seeks to collect a minimum subscription amount of Rs. 10 Crores under the Scheme during the NFO Period.
Maximum Amount to be raised (if any)	There is no upper limit on the total amount to be collected under the Scheme during the NFO Period.
Plans / Options offered	<p>Mirae Asset Arbitrage Fund shall have Regular Plan and Direct Plan and offers two options viz., Growth and Dividend under both the Plans.</p> <p>The Dividend Option shall have 2 sub options: (a) Dividend Payout (b) Dividend Reinvestment.</p> <p><b>Growth Option:</b> The returns from investments are generated through capital appreciation of units' price and no dividend will be declared.</p> <p><b>Dividend Option:</b> Under this option, a dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the Regulations).</p> <p><b>Dividend Payout sub-option:</b> The dividend declared by the Fund shall be paid to the investors who appears in the Unitholders /Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/statement of beneficial ownership maintained by the Depositories, as applicable, under the Dividend Payout Option of the plan, as on the record date.</p> <p><b>Dividend Re-Investment sub-option:</b> The Dividend declared by the fund shall be reinvested in the Plan and accordingly the units shall be issued to the investor at the NAV prevailing at the date of declaration of dividend. There shall, however, be no Entry Load and Exit Load on the dividend so reinvested.</p> <p>On payment of dividend, the NAV of the units under Dividend option will fall to the extent of the dividend payout and applicable statutory levies, if any. It must be distinctly understood that the actual</p>

	<p>declaration of dividend and frequency thereof is at the sole discretion of Board of Directors of the Trustee Company.</p> <p>The default option for the unitholders will be Regular Plan - Growth Option if he is routing his investments through a distributor and Direct Plan – Growth option if he is a direct investor.</p> <p>If the unit holders selects Dividend option but does not specify the sub-option then the default sub-option shall be Dividend Reinvestment.</p> <p>Investors subscribing under Direct Plan of the Scheme will have to indicate “Direct Plan” against the Scheme name in the application form i.e. “MIRAE ASSET ARBITRAGE FUND - Direct Plan”. Treatment for investors based on the applications received is given in the table below:</p> <table><tr><th>Scena rio</th><th>Broker Code mentioned by the investor</th><th>Plan mentioned by the investor</th><th>Default Plan to be captured</th></tr><tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr><tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr><tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr><tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr><tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr><tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr><tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr><tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr></table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p> <p>The AMC reserves the right to introduce a new option / investment Plan at a later date, subject to the SEBI (MF) Regulations. The AMC also reserves the right to discontinue / withdraw any option / investment plan, if deemed fit, after taking approval of the Board of Directors of AMC and Trustee.</p>	Scena rio	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
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6	Direct	Regular	Direct Plan																																		
7	Mentioned	Regular	Regular Plan																																		
8	Mentioned	Not Mentioned	Regular Plan																																		
Dividend Policy	<p>A dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the Regulations). There is no assurance or guarantee to unit holders as to the rate of dividend distribution nor will that dividend be regularly paid. If the Fund declares a dividend under the Scheme, AMC shall dispatch the dividend warrants within 30 days from the date of declaration of the dividend. In case the delay is beyond 30 days, then the AMC shall pay interest @15% p.a. from the expiry of 30 days till the date of dispatch of the warrant. In accordance with SEBI Circular no. SEBI/ IMD/ Cir No. 1/64057/06 dated April 4, 2006, the procedure for Dividend Distribution shall be followed. Any such Dividends that will paid/reinvested after taking into account distribution tax/ TDS thereon, as applicable.</p>																																				

Allotment	<p>Subject to the receipt of the specified minimum subscription amount, full allotment of Units applied for will be made within 5 business days from the date of closure of the NFO Period for all valid applications received during the NFO Period.</p> <p>An account statement will be sent by ordinary post/courier/secured encrypted electronic mail to each Unit Holder, stating the number of Units purchased, not later than 5 business days from the close of the NFO Period.</p> <p>In case of specific request received from investors, Mutual Fund shall provide the account statement to the investors within 5 working days from the receipt of such request without any charges.</p> <p>Allotment of Units and dispatch of Account Statements to FPIs will be subject to RBI approval, if required.</p> <p>For investors who have given demat account details in the application form, the Units issued by the AMC shall be credited by the Registrar to the investors' beneficiary account with the DP as per information provided in the application form and information of allotment will be accordingly sent by the Registrar.</p> <p>Full allotment will be made to all valid applications received during the New Fund Offer Period. Allotment of Units shall be completed not later than five business days after the close of the New Fund Offer Period. The Units will be computed and accounted for up to whole numbers (complete integers) only and no fractional units will be allotted for all Subscriptions/Application Money.</p> <p>If any fractional units are calculated as a result of the switch application, the units in the resultant scheme would be allotted to the extent of the entire such application money from the source scheme and will be computed and accounted for up to 3 decimal places and that no refund shall be paid/refunded to the investor for said such fractional Units. Accordingly the clause for multiples of Re.1 will not be applicable for switch transactions both during the New Fund Offer Period and on On-Going basis.</p>
Pledge of Units for Loans	<p>The Units can be pledged by the Unitholders as security for raising loans subject to the conditions of the lending institution. The Registrar will take note of such pledge (by marking a lien etc.) / charge in its records. Disbursement of such loans will be at the entire discretion of the lending institution and the fund assumes no responsibility thereof. The pledger will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorization to the fund that the pledge/lien charge may be removed. As long as Units are pledged, the pledgee will have complete authority to redeem such Units. Decision of the AMC shall be final in all cases of lien marking. In case of Units held in electronic form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of the Units of the Scheme. Units held in electronic form can be pledged by completing the requisite forms/formalities as may be required by the Depository.</p>
Refund	<p>If the Schemes fail to collect the minimum subscription amount of Rs. 10 Crores, the Mutual Fund shall be liable to refund the money to the applicants within 5 business days from the closure of the NFO.</p>

	<p>If application is rejected, full amount will be refunded within 5 business days from the closure of NFO. If refunded later than 5 business days, interest @15% p.a. for delayed period will be paid and charged to the AMC.</p>
<p><b>Who can Invest</b></p> <p>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.</p>	<ul style="list-style-type: none"> <li>• Indian resident adult individuals, either singly or jointly (not exceeding three);</li> <li>• Minor through parent / lawful guardian; (please see the note below)</li> <li>• Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;</li> <li>• Partnership Firms constituted under the Partnership Act, 1932;</li> <li>• Limited Liability Partnerships (LLP);</li> <li>• A Hindu Undivided Family (HUF) through its Karta;</li> <li>• Banking Company as defined under the Banking Regulation Act, 1949;</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>• Public Financial Institution as defined under the Companies Act, 1956;</li> <li>• Insurance Company registered with the Insurance Regulatory and Development Authority (IRDA);</li> <li>• Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO) on full repatriation basis or on non-repatriation basis;</li> <li>• Foreign Portfolio Investors (FPI) (including overseas ETFs, Fund of Funds) registered with SEBI on repatriation basis;</li> <li>• Mutual Funds/ Alternative Investment Funds registered with SEBI</li> <li>• Army, Air Force, Navy and other para-military funds and eligible institutions;</li> <li>• Scientific and Industrial Research Organizations;</li> <li>• Provident / Pension / Gratuity and such other Funds as and when permitted to invest;</li> <li>• International Multilateral Agencies approved by the Government of India / RBI; and</li> <li>• The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws).</li> <li>• A Mutual Fund through its schemes if permitted by the regulatory authorities.</li> <li>• Special Purpose Vehicles (SPVs) approved by appropriate authority (subject to RBI approval).</li> <li>• Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorized to invest in mutual fund schemes under their trust deeds;</li> <li>• Qualified Foreign Investors subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time on repatriation basis.</li> <li>• Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations/RBI, etc.</li> </ul> <p><b>Note: 1.</b></p>

	<p>Minor Unit Holder on becoming major may inform the Registrar about attaining majority and provide his specimen signature duly authenticated by his banker as well as his details of bank account and a certified true copy of the PAN card as mentioned under the paragraph “Anti Money Laundering and Know Your Customer” to enable the Registrar to update their records and allow him to operate the Account in his own right.</p> <p><b>Note 2. Applicants under Power of Attorney:</b> An applicant willing to transact through a power of attorney must lodge the photocopy of the Power of Attorney (PoA) attested by a Notary Public or the original PoA (which will be returned after verification) within 30 Days of submitting the Application Form / Transaction Slip at a Designated Collection Centre. Applications are liable to be rejected if the power of attorney is not submitted within the aforesaid period.</p>
Who cannot Invest?	<p>It should be noted that the <b>following entities cannot invest in the scheme:</b></p> <ul style="list-style-type: none"> <li>Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FPI. However, there is no restriction on a foreign national from acquiring Indian securities provided such foreign national meets the residency tests as laid down by Foreign Exchange Management Act, 1999.</li> <li>Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the Scheme. These would be firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs.)</li> <li>Non-Resident Indians residing in the Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs)</li> <li>“U.S. Person” under the U.S. Securities Act of 1933 and corporations or other entities organized under the laws of U.S.</li> <li>Residents of Canada or any Canadian jurisdiction under the applicable securities laws.</li> <li>The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.</li> </ul> <p>Subject to the Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. 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 Unit Holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unit Holders to accept such an application.</p> <p>The AMC / Trustee may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable law, which may result in delay in processing the application.</p>
Bank mandate registration	It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements



	<p>and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar / AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.</p>
Where can you submit the filled up applications?	<p><b>Registrar &amp; Transfer Agent:</b>  <b>KFin Technologies Private Limited (Formerly known as “Karvy Fintech Private Limited”)</b>  Registered Office:  Karvy Selenium, Tower B, Plot Number 31 &amp; 32, Financial District, Gachibowli, Hyderabad - 500 034.</p> <p>Contact Persons:  Mr. Babu PV  Tel No. : 040 3321 5237  Email Id : <a href="mailto:babu.pv@kfintech.com">babu.pv@kfintech.com</a></p> <p>Mr. 'P M Parameswaran'  Tel No. : 040 3321 5396  Email Id : <a href="mailto:parameswaran.p@kfintech.com">parameswaran.p@kfintech.com</a></p> <p>Website address: <a href="https://mfs.kfintech.com/mfs/">https://mfs.kfintech.com/mfs/</a></p> <p><b>Branches:</b>  Applications can be submitted at collecting bankers and Investor Service Centers of Mirae Asset Investment Managers (India) Pvt. Ltd. KFin Technologies Private Limited. Details of which are furnished on back cover page of this document.</p> <p><b>Website of the AMC:</b>  Investor can also subscribe to the Units of the Scheme through the website of the AMC i.e. <a href="https://www.miraeassetmf.co.in/investor-center/investor-services">https://www.miraeassetmf.co.in/investor-center/investor-services</a></p> <p><b>Designated email address for NFO Applications:</b>  In order to facilitate transactions in light of restrictions due to COVID-19, applications shall be accepted over the following email id: <a href="mailto:nfo@miraeasset.com">nfo@miraeasset.com</a> effective from 3rd June, 2020 till June 12, 2020.</p> <p>Existing KYC compliant investors with registered email address can send an email to <a href="mailto:nfo@miraeasset.com">nfo@miraeasset.com</a> with relevant details required for processing the application and the Fund transfer advice. Further, the investors can send duly filed application form and send the signed form over email at the aforesaid email address.</p> <p>New investors who are KYC applicant can submit the signed application form at the designated email address.</p> <p>Existing Individual Investors who wish to avail the Switch facility can also email their transactions to the transact id which is <a href="mailto:transact@miraeasset.com">transact@miraeasset.com</a> and Institutional Investors can email to <a href="mailto:insti.care@miraeasset.com">insti.care@miraeasset.com</a> as per the notice cum addendum dated March 22, 2020, March 25 and April 20, 2020.</p>

	<p>Investors are requested to send separate emails for each application.</p> <p>In case the application request is received from an unregistered email address, the AMC reserves the right to process or reject such application after carrying out necessary validations.</p> <p>The application so received needs to be complete in all aspects and in absence of clear information, the AMC reserves the right to reject the application. The AMC shall act in good faith and will be held harmless for any loss if any, suffered by the Investor for processing such application. Investor also agrees that the AMC shall not be responsible for the risk of errors and omissions at the time of processing such applications and further that the AMC shall not be responsible for such processing or non-processing or shall not be liable for any claims, liability, loss, damage, cost or expenses arising from such errors or omissions caused in transmission. Investor shall indemnify the AMC from and against all claims, liability, loss, damage, cost and expenses incurred by the AMC arising out of or relating to (a) the AMC acting or relying upon any email requests received or AMC not processing the email requests for any reason or (b) any unauthorized or fraudulent email request received by the AMC.</p> <p><b>Stock Exchanges:</b> A Unit holder may purchase Units of the Scheme through the Stock Exchange infrastructure only during the NFO period. Investors can hold units only in dematerialized form.</p> <p>Investors can also subscribe to the Units of the Scheme on the BSE StAR MF Platform and on NSE NMF II only during the NFO period.</p> <p><b>MF Utility (MFU):</b> A unitholder may purchase units of the Plan(s) under the Scheme through MFU only during the NFO Period.</p> <p>All financial and non-financial transactions pertaining to Schemes of Mirae Asset Mutual Fund can also be submitted through MFU either electronically or physically through the authorized Points of Service (“POS”) of MFUI. The list of POS of MFUI is published on the website of MFUI at <a href="http://www.mfuindia.com">www.mfuindia.com</a> and may be updated from time to time.</p>
How to apply?	<p>Please refer to the SAI and application form for the instructions.</p> <p>Investors intending to trade in Units of the Schemes, through the exchange platform will be required to provide demat account details in the application form.</p>
Listing	<p>MAAF is an open ended equity which will be made available on a continuous basis and therefore listing on stock exchanges is not envisaged.</p> <p>However, the AMC/Trustee reserves the right to list the units as and when the AMC/Trustee considers it necessary in the interest of Unitholders of the Scheme.</p>
Additional mode of payment through Applications	<p>Investors also have an option to subscribe to units of the Plan (i.e. the Regular Plan or the Direct Plan) under the Scheme during the New</p>

Supported by Blocked Amount ("ASBA") during the New Fund offer (NFO) period	<p>Fund Offer period under the <b>Applications Supported by Blocked Amount (ASBA) facility</b>, which would entail blocking of funds in the investor's Bank account, rather than transfer of funds, on the basis of an authorization given to this effect at the time of submitting the ASBA application form.</p> <p>For complete details on ASBA process, refer Statement of Additional Information (SAI) made available on our website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>.</p>
Facilities available during the NFO	<p><b><u>Switching:</u></b> During the NFO period (switch request from Existing Investors of the schemes of MAMF will be accepted upto 3.00 p.m. of the last day of the NFO), by switching part or all of their Unit holdings held in the existing schemes of the Mutual Fund, which has to be for an Minimum Purchase Value of Rs. 5,000/- and in multiples of Re. 1/-.</p> <p><b>Auto Switch Facility:</b></p> <p>During the NFO period, investors can also avail the Auto Switch facility which is a Special facility available to Existing investors having investments in any existing Schemes of Mirae Asset Mutual Fund only during the New Fund Offering (NFO) period whereby investors can switch their units from such existing Schemes during the NFO Period.</p> <p>The application for Auto Switch will be processed on the closing day of the NFO. The units from the Transferor Scheme will be switched, subject to provisions mentioned in the Scheme Information Document of the Transferor Scheme. The units in the Transferee Scheme will be allotted at the NFO Price of the Scheme on the allotment date.</p> <p>Investors may please note that the said facility Auto Switch facility is different from the regular Switch facility.</p> <p>Any Existing Investor who has applied through an Auto Switch form or has requested/mentioned as Auto Switch out, the units from the Transferor Scheme will be switched out from the Transferor Scheme at the closing applicable NAV <b>as on the last date of the NFO period</b> and that the units in the NFO Scheme (MAAF) will be allotted at the NFO Price on the allotment date.</p> <p>Whereas, for a regular Switch transaction, the units from the Transferor Scheme will be switched out from the Transferor Scheme at the closing applicable NAV as per cut-off on the <b>date of submission</b> of such transaction and that the units in the NFO Scheme (MAAF) will be allotted at the NFO Price on the allotment date.</p> <p>Investors are also requested to refer to the instruction section overleaf the Auto Switch application form.</p> <p>A switch has the effect of redemption from one scheme/plan/option</p>

	<p>and a purchase in the other scheme/plan/option to which the switching has been done and accordingly the exit load shall be applicable, if any.</p> <p>The price at which the units will be switched-out will be based on the redemption price of the scheme from which switch-out is done and the proceeds will be invested into the scheme at the NFO Price.</p> <p>A switch request must be compulsorily made by specifying the amount in multiples of Rs.5000/-. Also, where the switch request has been made specifying the number of Units, the request will be processed for the entire amount or can also be processed for a round value nearest to the value which will be in multiples of Rs.1 and the fractional value will be refunded. In case of ambiguity, the request will not be processed. Any Switch where the resultant value is less than the Minimum Purchase Value of Rs. 5000/- will be rejected.</p> <p><b>(ii) Transaction through electronic mode:</b> The AMC may from time to time offer various facilities to the unit holders through electronic mode such as internet, mobile phones, Kiosk, etc. to facilitate transactions in units of the scheme. The AMC may enter into such arrangements/ agreements as it may deem fit to give effect to the above.</p> <p>However, investors intending to take benefit of these facilities should note that they should use these services at their own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of internet, mobile phones, Kiosk, etc. or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorized access or use of information.</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>A unit shall be freely transferable by act of parties or by operation of law. The investor who intends to transfer the units will have to request the AMC for a 'unit certificate'. The AMC shall then issue the unit certificates to the investor. The investor then, on production of instrument of transfer together with relevant unit certificates (applicable stamp duty to be borne by the investor), register the transfer and return the unit certificate to the transferee within thirty days from the date of such production.</p> <p>Provided that if the units are with the depository such units will be transferable in accordance with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.</p> <p>However, a 'unit certificate' shall not be required to be produced</p>

	<p>before the DP for converting the units into demat mode and that a Statement of Accounts reflecting the outstanding units shall be a valid document for converting the units into demat mode.</p> <p>Accordingly, additions / deletions of names will be allowed under any folio of the Scheme, by following the above procedure. However, the said provisions will not be applicable in case a person (i.e. a transferee) becomes a holder of the Units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such satisfactory evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units of the Scheme.</p> <p>The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer. The delivery instructions for transfer of Units will have to be lodged with the DP in the requisite form as may be required from time to time and transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form.</p>
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#### **B. ONGOING OFFER DETAILS**

Ongoing Offer Period (This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period)	Being an open ended scheme, the Scheme shall remain open for continuous subscription on ongoing basis post the NFO
Ongoing price for subscription (Purchase Price)* (This is the price you need to pay for purchase/switch-in)	At the applicable NAV.
Ongoing price for redemption (sale) / switch outs (to other schemes/plans of the Mutual Fund) by investors. (This is the price you will receive for redemptions/switch outs.)	At the applicable NAV subject to prevailing exit load, if any.
Cut off timing for subscription/ redemption/ switch out  (This is the time before which your redemption request (complete in all respects) should reach the official points of acceptance)	<p>Cut-off time is the time before which the Investor's Application Form(s) (complete in all respects) should reach the Official Points of Acceptance to be entitled to the Applicable NAV of that Business Day.</p> <p>An application will be considered accepted on a Business Day, subject to it being complete in all respects and received and time stamped upto the relevant Cut-off time mentioned below, at any of the Official Points of Acceptance of transactions. Where an application is received and the time stamping is done after the relevant Cut-off time the request will be deemed to have been received on the next Business Day.</p> <p>Cut off timing for subscriptions/purchases/switch- ins for an amount</p>

	<p>less than Rs. 2,00,000/- (Rs. Two lakhs only).</p> <p>For Purchases including switch-ins:</p> <ol style="list-style-type: none"> <li>In respect of valid applications received by 3.00 p.m. by the Fund along with a local cheque or a demand draft payable at par at the Official Point(s) of Acceptance where the application is received, the closing NAV of the day on which application is received shall be applicable.</li> <li>In respect of valid applications received after 3.00 p.m. by the Fund along with a local cheque or a demand draft payable at par at the Official Point(s) of Acceptance where the application is received, the closing NAV of the following Business Day shall be applicable.</li> <li>In respect of valid applications with an outstation cheques or demand drafts not payable at par at the Official Points of Acceptance where the application is received, the closing NAV of day on which the cheque or demand draft is credited shall be applicable.</li> </ol> <p>Cut off timing for subscriptions/purchases/switch- ins amount equal to or greater than Rs. 2,00,000 (Rs. Two lakhs only):</p> <ol style="list-style-type: none"> <li>In respect of valid applications received for an amount equal to or more than Rs. 2 lakhs upto 3.00 p.m. at the Official Point(s) of Acceptance and where the funds for the entire amount of subscription / purchase/switch-ins as per the application are credited to the bank account of the Scheme before the cut-off time i.e. available for utilization before the cut-off time- the closing NAV of the day shall be applicable.</li> <li>In respect of valid applications received for an amount equal to or more than Rs. 2 lakh after 3.00 p.m. at the Official Point(s) of Acceptance and where the funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.</li> <li>Irrespective of the time of receipt of applications for an amount equal to or more than Rs. 2 lakh at the Official Point(s) of Acceptance, where the funds for the entire amount of subscription/purchase/ switch-ins as per the application are credited to the bank account of the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable.</li> </ol> <p>It is clarified that all multiple applications for investment at the Unit holders' PAN and holding pattern level in a Scheme (irrespective of amount or the plan/option/sub-option) received on the same Business Day, will be aggregated to ascertain whether the total amount equals to Rs. 2 lakh or more and to determine the applicable Net Asset Value. Transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian. The criteria for aggregation of multiple transactions shall be as decided by the AMC at its sole discretion from time to time.</p>
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	<p>For Redemption/ Repurchases/Switch out</p> <p>i. In respect of valid application accepted at an Official Points of Acceptance up to 3 p.m. on a Business Day by the Fund, the closing NAV of that day will be applicable.</p> <p>In respect of valid application accepted at an Official Point of Acceptance as listed in the SAI, after 3 p.m. on a Business Day by the Fund, the closing NAV of the next Business Day will be applicable.</p>
Where can the applications for Purchase/ redemption switches be submitted?	<p>Corporate office / Branches / Investor Service Centres of Mirae Asset Investment Managers (India) Pvt. Ltd. and Investor Service Centres of M/s KFin Technologies Pvt. Ltd. and any other official point of acceptance as declared by the AMC, from time to time.</p> <p><b>Website of the AMC:</b> Investor can also subscribe to the Units of the Scheme through the website of the AMC i.e. <a href="https://www.miraeassetmf.co.in/investor-center/investor-services">https://www.miraeassetmf.co.in/investor-center/investor-services</a></p> <p><b>Stock Exchanges:</b> Investors can also subscribe to the Units of the Scheme on the BSE StAR MF Platform, NSE NMF II and on ICEX (Indian Commodity Exchange Limited)</p> <p><b>MF Utility (MFU):</b> Investor can also subscribe to the Units of the Scheme through MFU which allows transacting in multiple Schemes of various Mutual Funds with a single form / transaction request and a single payment instrument / instruction.</p> <p>All financial and non-financial transactions pertaining to Schemes of Mirae Asset Mutual Fund can be submitted through MFU either electronically or physically through the authorized Points of Service ("POS") of MFUI. The list of POS of MFUI is published on the website of MFUI at <a href="http://www.mfuindia.com">www.mfuindia.com</a> and may be updated from time to time.</p>
Minimum amount for purchase / redemption /switches	<p><b>Purchase :</b> Rs. 5000/- and in multiples of Re. 1/- thereafter  <b>Additional Purchase:</b> Rs.1000/- and in multiples of Re.1/- thereafter.  <b>Redemption:</b> The minimum redemption amount shall be 'any amount' or 'any number of units' as requested by the investor at the time of redemption request.</p>
Valuation and Processing of Subscription and Redemption Proceeds for which NAV of the day of credit event or subsequent day is applicable will be processed as follows:	<p>Notwithstanding the decision to segregate the debt and money market instrument, the valuation shall take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.</p> <p>i. Upon trustees' approval to create a segregated portfolio -</p> <ul style="list-style-type: none"> <li>Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.</li> <li>Investors subscribing to the scheme will be allotted units only in the</li> </ul>

	<p>main portfolio based on its NAV.</p> <p>ii. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.</p>
<p><b>i. Special Products available:</b></p> <p><b><u>Systematic Investment Plan :</u></b></p> <p>This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to “invest as you earn” and affords the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. SIP Facility is available only under the Regular Plan and Direct Plan of the Scheme. A minimum period of 25 - 30 days shall be required for registration under SIP. Investors can avail this facility either through Post-dated Cheques OR through the National Automated Clearing House (NACH). Investor shall have the option of choosing any date of the month as the SIP date from 01st to 28th except the last three calendar dates 29th, 30th and 31st. If SIP debit date is not mentioned default date would be considered as 5th of every month. Even If the Investor selects or mentions the SIP dates as 29th, 30th or 31st, the default SIP date would be considered as 05th of every month only. All the cheques/payment instructions (including the first cheque/payment instruction) shall be of equal amounts. Non MICR/Outstation cheques will not be accepted. MICR Code starting and/ or ending with “000” are not valid for NACH. There is no upper limit for the Purchase for a single cheque/payment instruction or in aggregate. Please note that SIP will be started subject to the realization of the first registration cheque. The AMC reserves the right to reject any application inter alia in the absence of fulfillment of any regulatory requirements, fulfillment of any requirements as per the SID, incomplete/incorrect documentation and furnishing necessary information to the satisfaction of the Mutual Fund/AMC.</p> <p>The conditions for investing in SIP during the Ongoing Offer Period are as under:</p> <ul style="list-style-type: none"> <li>Investors can enroll themselves for SIP by submitting the enrolment form along with the relevant documents including post-dated cheques/ auto / NACH debit instructions along with the first cheque to start SIP and a cancelled cheque or a copy of cheque as the case may be at any of our ISC's. In case of Post Dated Cheques the date of the first cheque shall be dated on or before the date of submission of the application form while the remaining cheques (minimum 5 in case of Monthly or 3 in case of Quarterly option) shall be post-dated cheques (dated uniformly for the stipulated SIP Date of a month or quarter).</li> <li>The installment of the SIP will be processed subject to applicable NAV &amp; load, if any, on the date of submission on any Business Day. The 2<sup>nd</sup> installment in case of monthly SIP will be processed on the chosen SIP date indicated by the investor, after a gap of 25 to 30 calendar days from the date of processing of the first SIP. If the choice of date for the second installment is not indicated by the investor, the second installment of SIP will be by default processed on the 5th of the month. In case of quarterly SIP, the default date for next installment will be 5th of the relevant month. If any of above dates falls on a holiday/non-business day, the transaction will be taken as of the next Business Day. At the time of registration of SIP, if the ‘default’ end date is not mentioned by the investor, it will be registered for a default period upto 31st December 2099. The SIP installments shall continue until 31st December, 2099 unless the investor instructs Mirae Asset Mutual Fund to discontinue the SIP. If there is an ambiguity in the enrolment period of the SIP, the second installment of SIP will be by default processed for the SIP date chosen (5th of the month if not specified) for a default period of 12 months.</li> <li>An extension of an existing SIP will be treated as a new SIP on the date of such application, and all the above conditions need to be met with. The load structure prevailing at the time of submission of the SIP application (whether fresh or extension) will apply for all the installments indicated in such application.</li> <li>Termination of SIP - For discontinuation of SIP the unit holder / investor should intimate the AMC / ISC at least 15 working days prior to the due date of next cheque / SIP installment of every month / quarter. On such request, SIP will be terminated and the balance post-dated cheques will be returned to the investor or the debit instruction given by the investor will be cancelled.</li> <li>In case of cancellation of a SIP or cheques returned un-cleared for SIP installments or payment</li> </ul>	

instructions not honored, the AMC may reduce the number of Units allotted against the previous installments. As part of the process, units are automatically allotted as per the SIP date for all SIP installments below 2 Lakhs and the credit is then checked for the units such allotted; post the status report received for ECS debits to the SIP investor account. Where the credit has not been received or the transaction is a failure transaction, the units so allotted will be reversed/reduced for that particular transaction. For all SIP installments which are 2 Lakhs and above, units will be allotted on realization basis as per guidelines.

- Any Unit Holder can avail of this facility subject to certain terms and conditions detailed in the Application Form.

**For details on Frequency and minimum applicable amount refer at the end of the VTP section.**

#### **Top-up facility under Systematic Investment Plan (SIP)**

‘SIP Top-Up’ is a facility which will enable investors to increase the amount of SIP installments at pre-defined frequency by a fixed amount during the tenure of SIP.

The features, terms and conditions for availing the ‘SIP Top-Up’ facility shall be as follows:

1- SIP Top-Up facility would be available to all existing and new SIP enrolments. Existing investors who have enrolled for SIP are also eligible to avail Top-Up facility and will be required to submit ‘Systematic Investment Plan (SIP) with Top-up Facility’ at least 25-30 calendar days prior to the Top-Up start month.

2-SIP Top-Up facility can be availed at half yearly and yearly intervals. In case the Top-Up frequency is not specified, Default will be considered as yearly frequency.

3-Minimum Top-Up amount would be Rs.500/- & in multiples of Re. 1/- thereafter for all the schemes of the Fund that offer SIP.

4-In case the investor does not specify Top-Up amount, Rs.500/- will be considered as the Top-Up amount and the request will be processed accordingly.

5-SIP Top-up facility can be started after minimum 6 months from the date of 1st SIP. If the end-date of the Top-up facility is not mentioned the Top-up facility will be continued up till the tenure of the SIP. For example, if the SIP is registered up till 2099, and the end date of the Top-up facility is not mentioned; then the Top-up will continue till 2099.

6. SIP Top-Up will be subject to minimum SIP investment requirement, as applicable to the eligible schemes from time to time.

7. The Top-up details cannot be modified once enrolled. In order to make any changes, the investor must cancel the existing SIP and enroll for a fresh SIP with Top-up option.

An Illustration: The Top-Up facility will work as follows:

Details of SIP registered	Details of Top-up opted for
<ul style="list-style-type: none"> <li>Fixed SIP Installment amount: Rs.5,000/-</li> <li>SIP Period: 01-April-2016 till 31-March-2019 (3 years)</li> <li>SIP date: 1st of every month (36 installments)</li> </ul>	<p>Example:</p> <ul style="list-style-type: none"> <li>Top-Up Amount: Rs.1,000/-</li> <li>Top-Up Frequency: Every 6 months</li> </ul>

Based on above details, SIP Installments shall be as follows:

Installment No(s).	SIP Installment (in Rs.) (A)	Top-Up amount (in Rs.) (B)	Monthly SIP Installment amount after Top-up (in Rs.) (A+B)
1 to 6	5,000	NA	5,000
7 to 12	5,000	1,000	6,000
13 to 18	6,000	1,000	7,000
19 to 24	7,000	1,000	8,000
25 to 30	8,000	1,000	9,000
31 to 36	9,000	1,000	10,000

#### **ii. Systematic Transfer Plan (STP)**

This facility enables Unit Holders to transfer fixed sums from their Unit accounts in the Scheme to the existing schemes or other schemes launched by the Fund from time to time. The transfer will

commence from the date mentioned by the Unit Holder in the Application Form for the facility. A minimum period of 7 days shall be required for registration under STP. The Units will be allotted / redeemed at the Applicable NAV of the respective dates of the Scheme on which such transfers are sought from the Scheme. In case the day on which the transfer is sought is a non-Business Day for the Scheme, then the application for the facility will be deemed to have been received on the immediately following Business Day. The facility of STP will not be available from any existing equity / equity oriented schemes to a non-equity scheme of the Fund. STP is not available for investments under lock-in period and for investments which are pledged.

**Methodology:**

At every installment, the system will check for the Balance amount in the Transferor Scheme with “STP Amount”:

1. If “Balance Amount in the Transferor Scheme” is more than or equal to “2 x STP Amount”, then only the STP amount will be transferred and the balance amount will continue to remain in the Transferor Scheme.
2. If “Balance Amount in the Transferor Scheme” is less than “2 x STP Amount”, the entire Balance Amount in the Transferor Scheme (OUT Scheme) will be switched out in to the Transferee Scheme (IN Scheme).

Further, if there are 3 consecutive failures on account of STP execution from the Transferor Scheme (OUT Scheme), on the designated frequency, STP shall be ceased/terminated for all future installments. The provision relating to “Minimum Redemption Amount” of the designated Transferor Scheme(s) and “Minimum Application Amount” of the designated Transferee Scheme(s) shall not be applicable for such STP executions on a residual note.

Example: If an investor having investment of Rs. 15,000 in Mirae Asset Cash Management Fund (MACMF) starts monthly STP of Rs. 1,000 in Mirae Asset Emerging Bluechip Fund (MAEBF) then,

- If at the time of STP installment, the Balance amount in the MACMF is more than or equal to Rs. 2,000 – only STP Amount of Rs. 1,000 will be transferred to MAEBF
- If at the time of STP installment, the Balance amount in the MACMF is less than Rs. 2,000 – the entire balance amount in MACMF will be transferred to MAEBF.

**For details on Frequency and minimum applicable amount refer the table at the end of the VTP section.**

**MIRAE ASSET VTP (VARIABLE TRANSFER PLAN):**

Mirae Asset VTP is a facility wherein unit holder(s) of designated open-ended Scheme(s) of Mirae Asset Mutual Fund can opt to transfer variable amount(s) linked to value of investments under VTP on the date of transfer at per-determined intervals from designated open-ended Scheme(s) of Mirae Asset Mutual Fund (Transferor Scheme) to the designated open-ended Scheme(s) of Mirae Asset Mutual Fund (Transferee Scheme).

**Schemes eligible for VTP facility:**

**Source Schemes:** Mirae Asset Emerging Bluechip Fund (MAEBF), Mirae Asset Great Consumer Fund (MAGCF), Mirae Asset Healthcare Fund (MAHCF), Mirae Asset Focused Fund (MAFF), Mirae Asset Equity Savings Fund (MAESF), Mirae Asset Hybrid Equity Fund (MAHEF), Mirae Asset Savings Fund (MASF), Mirae Asset Cash Management Fund (MACMF), Mirae Asset Tax Saver Fund\*, Mirae Asset Dynamic Bond Fund (MADB), Mirae Asset Short Term Fund (MASTF), Mirae Asset Midcap Fund (MAMF), Mirae Asset Overnight Fund (MAONF).

**Target Scheme:** Mirae Asset Hybrid Equity Fund (MAHEF), Mirae Asset Emerging Bluechip Fund(MAEBF), Mirae Asset Great Consumer Fund(MAGCF), Mirae Asset Focused Fund ,Mirae Asset Healthcare Fund (MAHCF), Mirae Asset Midcap Fund (MAMF), Mirae Asset Equity Savings Fund (MAESF ), Mirae Asset Savings Fund (MASF ), Mirae Asset Cash Management Fund (MACMF),

Mirae Asset Tax Saver Fund\*, Mirae Asset Dynamic Bond Fund (MADBF), Mirae Asset Short Term Fund (MASTF), Mirae Asset Midcap Fund (MAMF), Mirae Asset Overnight Fund (MAONF).

\* Each Instalment 'OUT' of Mirae Asset Tax Saver Fund shall be subject to lock in period of 3 years from the date of allotment of Units proposed to be redeemed.

**Following are the features of Variable Transfer Plan (VTP):**

- Under the Variable Transfer Plan, unit holders will be eligible to transfer:  
Fixed Amount per installment OR the amount as determined by the following formula:-  
[(Fixed amount to be transferred per installment X number of installments including the current installment) - market value of the investments through Variable Transfer Plan in the Target Scheme on the date of transfer] whichever is higher, on the date of transfer.
- The first VTP installment will be processed basis the fixed installment amount specified by the unit holder at the time of enrollment. From the second VTP installment onwards, the transfer amount shall be computed as per formula stated above.
- In case of VTP - Daily, Weekly and Fortnightly Interval, the commencement date shall be within 7 business days from the date of receipt of a valid request.
- For Daily, Weekly, Monthly, Fortnightly or Quarterly VTP falling on a Friday or on any business day where the next day is a non-business day, the NAV applicable shall be the Transaction date i.e. before 3.00 p.m. for both source and the target scheme.
- In order to discontinue the facility, a written request must be submitted at least 7 business days prior to the next applicable transfer date for the selected frequency.
- This facility introduced under the scheme will have the same investment objective, portfolio, liquidity and expense ratio as that of the prevailing plans of the respective schemes.

**Example of Calculation of Installment of Variable Transfer Plan:**

Source Scheme: Mirae Asset Savings Fund

Target Scheme: Mirae Asset Emerging Bluechip Fund

Suppose an investor chose a monthly VTP option from Mirae Asset Savings Fund to Mirae Asset Emerging Bluechip Fund of amount Rs.5000/- and he has already transferred three installments upto date August 1, 2015.

Total units allotted upto the date of last installment i.e. August 1, 2015 is assumed as 1400. The NAV of Mirae Asset Emerging Bluechip Fund - Growth Option on September 2015 is assumed as Rs.9.50 - per unit.

So the market value of investment on the date of transfer is 13,300 (1400 x 9.5). The next installment as per the VTP will be calculated as per the following formulae: Higher of the following, Fixed Amount to be transferred per installment (Rs.5,000/-) OR [(Fixed Amount to be transferred per installment \* Number of Installment including current installment) - Market Value of Target Scheme] = (Rs.5000\*4) - 13,300 = Rs.6,700/-. So Rs.6,700/- will be transferred under the VTP.

**For details on Frequency and minimum applicable amount for SIP, STP and VTP refer the table below:**

Facility	Frequency	Day/Date	Criteria*
STP and VTP	Daily	Monday to Friday	Minimum 5 Transfers of Rs.1000 each and in multiples of Re. 1/- thereafter.
	Weekly	Every Wednesday	
	Fortnightly	Every Wednesday of the alternate week.	
SIP	Monthly Quarterly	01st to 28th except the last three calendar dates 29th, 30th and 31st.	Minimum balance amount at the time of enrolment of STP and VTP: NIL
STP and VTP	Monthly	01 <sup>st</sup> , 10 <sup>th</sup> , 15 <sup>th</sup> , 21 <sup>st</sup> and	

	Quarterly	28 <sup>th</sup> .	
<p><b>*Notes:</b> Each STP/VTP Installment 'OUT' to / of Mirae Asset Tax Saver Fund will be subject to a lock-in period of three years from the date of allotment of Units proposed to be redeemed. Hence, Mirae Asset Tax Saver Fund shall act as Source Scheme for STP/VTP post completion of the said lock-in period.</p>			
<p><b>IV. <u>Systematic Withdrawal Plan:</u></b> This facility enables the Unit Holders to withdraw sums from their Unit accounts in the Scheme at periodic intervals through a one-time request. The withdrawals will commence from the Start Date mentioned by the Unit Holder in the Application Form for the facility. A minimum period of 7 days shall be required for registration under SWP. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. However, if any of the dates on which the redemption is sought is a non-Business Day, the Units will be redeemed at the Applicable NAV of the next Business Day.</p> <p><b>Options available and Minimum Amount Fixed withdrawal:</b> Investors can withdraw fixed amount of Rs.1,000/- each and above at regular intervals.</p> <p><b>Appreciation withdrawal:</b> Investors can withdraw appreciation of Rs.1,000/- and above at regular intervals. If the appreciation amount is less than Rs. 1,000/- or the specified amount, there will be no SWP in that month / quarter. The cumulative appreciation of this period and the immediately succeeding period shall be paid out subject to it being a minimum of Rs.1,000/- or the specified amount.</p> <ul style="list-style-type: none"> <li>• SWP is not available for investments under lock-in period and for investments which are pledged.</li> <li>• The SWP payouts will be processed at the requested frequency. The investor can opt for direct credit of the redemption proceeds to their bank accounts (Currently direct credit offered for the following banks - Axis Bank, Citibank, HDFC Bank, ICICI Bank, IDBI Bank, Kotak Mahindra Bank, Standard Chartered Bank and The Royal Bank of Scotland). For investors banking with any other bank apart from above mentioned banks, the AMC / MF will endeavor to credit the payout directly to that bank account through available electronic mode(s) (ECS / Direct Credit). The AMC / MF shall not be responsible if payout through electronic mode(s) (ECS / Direct Credit) does not get affected due to incomplete or incorrect information or any other technical /operational reasons. The AMC / MF reserve the right to use any other mode of payment as deemed appropriate, however the preferred mode will always be NEFT/RTGS.</li> <li>• In case of Fixed Withdrawal, if the amount of installment is more than the amount available in that account for redemption, the entire available amount will be redeemed and the SWP will terminate automatically. In case of Appreciation Withdrawal, appreciation will be calculated on the units available for redemption at the time of the SWP installment.</li> </ul> <p><b>Withdrawal Dates: Fixed Withdrawal:</b> Investors can withdraw fixed amount on 1st or 10th or 15th or 21st or 28th of each month / quarter for minimum 12 months / 4 quarters. By default, in case of any ambiguity in selection of withdrawal frequency, the SWP date will be 10th of each month.</p> <p><b>Appreciation withdrawal:</b> Investors can withdraw appreciation on the 1st of each month / quarter for minimum of 12 months / 4 quarters.</p> <p>For applicable load on Redemptions through SWP, please refer section 'LOAD STRUCTURE'.</p> <p><b>i. <u>Interscheme Switching</u></b> The Transaction Slip can be used by investors to make inter-scheme switches (during the NFO Period and the ongoing offer period) within the Fund. All valid applications for switch-out shall be treated as Redemption and for switch-in as Purchases with the respective Applicable NAVs of the Scheme / option.</p> <p><b>ii. <u>Intrascheme Switching</u></b> Investors can switch between different options under the same Plan of the Scheme, at the Applicable NAV. All valid applications for switch-out shall be treated as Redemption and for switch-in as</p>			



Purchases with the respective Applicable NAVs of the option. As per current Load structure, no Entry or Exit Loads will be charged for intra-scheme switching. However, AMC may change the Loads prospectively as indicated in section on LOAD STRUCTURE FOR THE SCHEME in this Scheme information document.

**iii. Folio Number**

Unless otherwise requested by the Unit Holder, a single folio number may be assigned if an investor invests in different schemes of the Fund, and a consolidated account statement will then be provided for investments in all the schemes.

**iv. Fractional Units**

Since a request for Purchase or Redemption is generally made in rupee amounts and not in terms of a fixed number of Units of the Scheme, an investor may be left with fractional Units. Fractional Units will be computed and accounted for up to three decimal places for the Scheme.

**v. Consolidation of folios**

In case an investor holds investments in multiple folios under the Fund, the AMC reserves the right to consolidate all the folios belonging to the same investor into one folio.

**vi. Transaction through electronic mode**

The AMC may from time to time offer various facilities to the unit holders through electronic mode such as internet, mobile phones, Kiosk, etc. to facilitate transactions in units of the scheme. The AMC may enter into such arrangements / agreements as it may deem fit to give effect to the above.

However, investors intending to take benefit of these facilities should note that they should use these services at their own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of internet, mobile phones, Kiosk, etc. or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorized access or use of information.

**Know Your Customer (KYC):**

**Implementation of Central KYC (CKYC):**

The Government of India has authorized *the Central Registry of Securitization and Asset Reconstruction and Security interest of India* (CERSAI, an independent body), to perform the function of Central KYC Records Registry including receiving, storing, safeguarding and retrieving KYC records in digital form.

**NON – INDIVIDUAL INVESTORS:** CKYC is currently not applicable for Non-Individual Investors. All new Non Individual Investors will continue with the old KRA KYC form. Details of net worth are mandatory for Non Individual applicants. Details of net worth shall be of a date which is within one year of the application.

**INDIVIDUAL INVESTORS:**

1. New individual investors who have never done KYC under KRA (KYC Registration Agency) regime and whose KYC is not registered or verified in the KRA system will be required to fill the new CKYC form while investing with the Fund.
2. If any new individual investor uses the old KRA KYC form, then such investor will be required to either fill the new CKYC form or



	<p>provide the missing/additional information using the Supplementary CKYC form.</p> <p>3. Investors who have already completed CKYC and have a KYC Identification Number (KIN) from the CKYC platform can invest in schemes of the Fund quoting their designated KIN issued by CKYC on the application form (14 digits for normal accounts and 15 digits for simplified and small accounts). Further, in case the investor's PAN is not updated in CKYC system, a self-certified copy of PAN Card shall be mandatory.</p> <p>For KYC Application Forms, please visit our website <a href="http://www.miraeasset.com">www.miraeasset.com</a>. For more details on the KYC and IPV kindly refer section “<b>Know Your Customer (KYC)</b>” in “<b>II - HOW TO APPLY?</b>” in SAI.</p> <p><b>Micro Applications:</b> Investments in Mutual Fund (including SIP investment where the aggregate of SIP installments in a rolling 12 months period or in a financial year i.e. April to March) does not exceed Rs.50,000/- per investor per year (to be referred as “Micro Application” hereinafter).</p> <p>The following transactions will not be covered as they are currently not considered either for PAN or KYC requirement:</p> <ul style="list-style-type: none"> <li>• Redemption</li> <li>• Switch</li> <li>• Systematic Transfer Plans</li> <li>• Systematic Withdrawal Plans</li> <li>• Dividend Reinvestments/Sweep transactions</li> </ul> <p>This exemption will be applicable ONLY to investments by individuals (including NRIs but not PIOs), Minors and Sole proprietary firms. HUFs and other categories will not be eligible for Micro Applications. The exemption is applicable to joint holders also.</p>
<b>Accounts Statements</b>	<p>For normal transactions (Other than SIP / STP) during ongoing sales and repurchase:</p> <ul style="list-style-type: none"> <li>• The AMC shall issue to the investor whose application (other than SIP / STP) has been accepted, an account statement specifying the number of units allotted will be sent by ordinary post/courier/secured encrypted electronic mail to each Unit Holder, stating the number of Units purchased, generally within 3 Business days, but not later than 5 working days from date of acceptance of the valid Application Form / Transaction Slip.</li> <li>• For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail.</li> <li>• The unit holder may request for a physical account statement by writing / calling the AMC/ISC/R&amp;T. Investors can enquire about NAVs, Unit Holdings, Valuation, Dividends, Account statements, etc. or lodge any service request by calling the investor line of the AMC at “1800 2090 777”. The Investor can call on the Toll Free number anytime between 9.00 am to 5.30 pm from Monday to Friday except for Public Holidays. Investors can also visit the website at <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>, for complete details. In order to protect confidentiality of information, the service representatives may require personal information of the investor for verification of his / her identity. The AMC will at all times endeavor to handle</li> </ul>

	<p>transactions efficiently and to resolve any investor grievances promptly.</p> <ul style="list-style-type: none"> <li>• The AMC shall issue Unit certificates within 5 business days from the date of receipt of request where the applicant so desires.</li> </ul> <p><b>For SIP/STP transactions:</b></p> <ul style="list-style-type: none"> <li>• Account Statement for SIP and STP will be dispatched once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter.</li> <li>• A soft copy of the Account Statement shall be mailed to the investors under SIP / STP to their e-mail address on a monthly basis, if so mandated.</li> <li>• However, the first Account Statement under SIP / STP shall be issued within 10 working days of the initial investment / transfer.</li> <li>• In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP / STP) to the investors within 5 working days from the receipt of which request without any charges.</li> </ul> <p><b>Annual Account Statement :</b></p> <ul style="list-style-type: none"> <li>• The Mutual Funds shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the units prior to the date of generation of the account statement.</li> <li>• The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statements, if so mandated.</li> <li>• The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN/KYC details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN and the investors are KYC compliant.</li> </ul> <p><b>Units held in electronic form</b> Where units are held by investor in electronic form, the demat statement issued by the Depository Participant will be deemed adequate compliance with the requirements in respect of dispatch of statements of account.</p>
<b>Dividend</b>	<p>The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.</p> <p>In case of Unit Holder having a bank account with certain banks with which the Mutual Fund would have made arrangements from time to time, the dividend proceeds shall be directly credited to their account.</p> <p>The dividend will be paid by warrant and payments will be made in favor of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI).</p> <p>Further, the dividend proceeds may be paid by way of ECS/EFT/NEFT/RTGS/any other manner through which the</p>

	<p>investor's bank account specified in the Registrar &amp; Transfer Agent's records is credited with the dividend proceeds as per the instructions of the Unit holders.</p> <p>In case the delay is beyond 30 days, then the AMC shall pay interest @ 15% p.a. from the expiry of 30 days till the date of dispatch of the warrant.</p> <p>In case of Unit Holder having a bank account with certain banks with which the Mutual Fund would have made arrangements from time to time, the dividend proceeds shall be directly credited to their account.</p> <p>The dividend will be paid by warrant and payments will be made in favor of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI).</p> <p>Further, the dividend proceeds may be paid by way of ECS/EFT/NEFT/RTGS/any other manner through which the investor's bank account specified in the Registrar &amp; Transfer Agent's records is credited with the dividend proceeds as per the instructions of the Unit holders.</p> <p>In case the delay is beyond 30 days, then the AMC shall pay interest @ 15% p.a. from the expiry of 30 days till the date of dispatch of the warrant.</p>
<b>Redemption</b>	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.</p> <p><b>Non-Resident Investors</b> For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows:</p> <p><b>(i) Repatriation basis</b> When Units have been purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit Holder's FCNR deposit or from funds held in the Unit Holder's Non Resident (External) account kept in India, the proceeds can also be sent to his Indian address for crediting to his NRE/FCNR/non-resident (Ordinary) account, if desired by the Unit Holder.</p> <p><b>(ii) Non-Repatriation basis</b> When Units have been purchased from funds held in the Unit Holder's non-resident (Ordinary) account, the proceeds will be sent to the Unit Holder's Indian address for crediting to the Unit Holder's non-resident (Ordinary) account.</p> <p>For FPIs, the designated branch of the authorized dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the Foreign Currency account or Non-resident</p>

	<p>Rupee account of the FPI maintained in accordance with the approval granted to it by the RBI. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/FPIs. The Fund may make other arrangements for effecting payment of redemption proceeds in future.</p> <p>The normal processing time may not be applicable in situations where necessary details are not provided by investors/Unit holders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and/or any delay/loss in transit.</p> <p><b>Unclaimed Redemptions and Dividends</b> As per circular no. MFD / CIR / 9 / 120 / 2000, dated November 24, 2000 and circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016 issued by SEBI, the unclaimed Redemption and dividend amounts shall be deployed by the Fund in call money market or money market instruments and in a separate plan of Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The AMCs shall not be permitted to charge any exit load in this plan.</p> <p>The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts.</p> <p>The website of Mirae Asset Mutual Fund also provides information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same.</p> <p>The details of such unclaimed amounts are also disclosed in the annual report sent to the Unit Holders.</p> <p>Important Note: All applicants must provide a bank name, bank account number, branch address, and account type in the Application Form.</p>
<b>Option to subscribe / hold Units in dematerialized (demat) form</b>	<p>Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011, an option to subscribe in dematerialized (demat) form the units of all the Scheme(s)/Plan(s)/Options(s) is provided to the investors effective October 1, 2011.</p> <p>Consequently, the Unit holders under the Scheme(s)/Plan(s)/Options(s) shall have an option to subscribe/ hold the Units in demat form in accordance with the provisions laid under the respective Scheme(s)/Plan(s)/Options(s) and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. If the demat account details are found to be invalid, the investor shall continue to hold the units in physical form.</p> <p>In case, the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units</p>

	<p>held in non-demat form into Demat (electronic) form or vice-versa should be submitted along with a Demat/ Remat Request Form to their Depository Participants.</p> <p>The option to subscribe/hold units in demat option is available for SIP transactions. However, the units shall be allotted based on the applicable NAV as per the SID and shall be credited to investors demat account on weekly basis upon realization of funds. For e.g. Units will be credited to investors demat account every Monday for realization status received in last week from Monday to Friday.</p> <p>Investors may kindly note that, no statement of account will be generated by the Registrar &amp; Transfer Agent ('Karvy') and all those folios for which demat conversion request is received will be blocked for generation of statement of account. Investors may kindly note that if folio number is provided along with additional subscription (against demat folio), the same will be treated as new transaction and fresh folio will be created.</p> <p>The DPs shall send the unit balances / confirmations to the investors. The Investors have to approach his/ her DP for all change request updates /holding statements. The R&amp;T of the Mutual Fund shall not accept any requests for change from the investors. Investors shall also note that partial allotment / conversion of units to Demat within the scheme shall not be permitted.</p> <p>Units held in demat form will be transferable subject to the provisions laid under the respective scheme(s)/plan(s) and in accordance with provisions of depositories act, 1996 and the Securities And Exchange Board Of India (Depositories And Participants) Regulations, 1996 as may be amended from time to time.</p> <p>For further details kindly refer <b>Section 'II How to Apply?'</b> on 'Option to Subscribe/hold units in dematerialized (demat) form'.</p>
<p><b>Consolidated Account Statement (CAS) in terms of SEBI Circular No. CIR/MRD/DP/31/2014 dated November 12, 2014 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2 016/89 dated September 20, 2016.</b></p>	<p><b>I. Investors who do not hold Demat Account</b> CAS<sup>^</sup>, based on PAN of the holders, shall be sent by Mirae Asset Investment Managers (India) Pvt. Limited ("the AMC")/ KFin Technologies Private Limited (Registrar and Transfer Agent "RTA") to investors not holding demat account, for each calendar month within 10<sup>th</sup> day of the succeeding month to the investors in whose folios transactions have taken place during that month.</p> <p><sup>^</sup>CAS sent by AMC/RTA is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month.</p> <p><b>II. Investors who hold Demat Account</b> CAS<sup>^^</sup>, based on PAN of the holders, shall be sent by Depositories to investors holding demat account, for each calendar month within 10<sup>th</sup> day of the succeeding month to the investors in whose folios transactions have taken place during that month.</p> <p>In case of demat accounts with nil balance and no transactions in</p>

	<p>securities and in mutual fund folios, the depositories shall send account statement every half yearly (September/ March), on or before 10<sup>th</sup> day of succeeding month.</p> <p>^^CAS sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and transaction in dematerialised securities across demat accounts of the investors and holding at the end of the month.</p> <p>CAS shall be sent by Depositories every half yearly (September/ March), on or before 10<sup>th</sup> day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios/demat accounts there have been no transactions during that period.</p> <p>Following provisions shall be applicable to CAS sent through AMC/ RTA and CAS sent through depositories:</p> <ol style="list-style-type: none"> <li>1. Investors are requested to note that for folios which are not included in the CAS, AMC shall henceforth issue monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be sent on or before tenth day of succeeding month. Such statements shall be sent in physical form if no email id is provided in the folio.</li> <li>2. The statement sent within the time frame mentioned above is provisional and is subject to realisation of payment instrument and/or verification of documents, including the application form, by the RTA/AMC.</li> <li>3. In the event the folio/demat account has more than one registered holder, the first named Unit holder/Account holder shall receive the CAS (AMC/RTA or Depository). For the purpose of CAS (AMC/RTA or Depository), common investors across mutual funds/depositories shall be identified on the basis of PAN. Consolidation shall be based on the common sequence/order of investors in various folios/demat accounts across mutual funds / demat accounts across depository participants.</li> <li>4. Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS.</li> <li>5. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN.</li> <li>6. For Unit Holders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail.</li> <li>7. The Unit Holder may request for a physical account statement by writing to/calling the AMC/RTA. In case of a specific request received from the unit holders, the AMC/RTA shall provide the account statement to the unit holders within 5 business days from the receipt of such request.</li> <li>8. Account Statements shall not be construed as proof of title and are only computer printed statements indicating the details of transactions under the Schemes during the current financial year and giving the closing balance of Units for the information of the Unit Holder.</li> <li>9. Units held in the form of Account Statement are non-transferable. The Trustee reserves the right to make the Units transferable at a</li> </ol>
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	<p>later date subject to SEBI (MF) Regulations issued from time to time.</p> <p>10. In case an investor has multiple accounts across two Depositories, the depository with whom the account has been opened earlier will be the default Depository.</p> <p>If an investor does not wish to receive CAS, an option shall be given to the investor to indicate negative consent. Depositories shall accordingly inform investors in their statements about the facility of CAS and give them information on how to opt out of the facility if they do not wish to avail it.</p> <p>CAS issued to investors shall disclose the following details:</p> <ol style="list-style-type: none"> <li>1. Name of scheme/s where the investor has invested, number of units held and its market value.</li> <li>2. Total purchase value / cost of investment in the scheme.</li> </ol> <p><u>Half yearly CAS (ended September/ March) shall also provide:</u></p> <ol style="list-style-type: none"> <li>i. The amount of actual commission paid by Mutual Fund to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme.</li> </ol> <p><i>'Commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, it shall be mentioned in CAS that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as service tax (wherever applicable, as per existing rates), operating expenses, etc.</i></p> <ol style="list-style-type: none"> <li>ii. The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.</li> </ol> <p>Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.</p>
<b>Minimum units balance to be maintained.</b>	Nil
<b>Delay in payment of redemption proceeds</b>	The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @15% per annum) in case the redemption proceeds are not made within 10 Business Days from the date of receipt of a valid redemption request.
<b>Transfer, Transmission, Nomination, Lien, Pledge, Duration of the Scheme and Mode of Holding</b>	A unit shall be freely transferable by act of parties or by operation of law. The investor who intends to transfer the units will have to request the AMC for a 'unit certificate'. The AMC shall then issue the unit certificates to the investor. The investor then, on production of instrument of transfer together with relevant unit certificates (applicable stamp duty to be borne by the investor), register the transfer and return the unit certificate to the transferee within thirty days from the date of such production.



	<p>Provided that if the units are with the depository such units will be transferable in accordance with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.</p> <p>However, a 'unit certificate' shall not be required to be produced before the DP for converting the units into demat mode and that a Statement of Accounts reflecting the outstanding units shall be a valid document for converting the units into demat mode.</p> <p>Please refer SAI for details on transmission, nomination, lien, pledge, duration of the Scheme and Mode of Holding.</p>
<b>Right to Limit Redemptions of Units</b>	<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) working 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 Schemes 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"> <li>• Liquidity issues: when market at large becomes illiquid affecting almost all securities rather than any issuer specific security.</li> <li>• 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 could also be related to political, economic, military, monetary or other emergencies</li> <li>• Operational issues - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).</li> <li>• If so directed by SEBI</li> </ul> <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 (i.e. within 3 to 4 Business Days for schemes other than liquid funds and within 1 Business Day for liquid funds) 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.</p>

## C. PERIODIC DISCLOSURES

<p><b>Net Asset Value</b></p> <p>This is the value per unit of the Plan under the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>NAVs will be disclosed at the close of each business day. NAV of the Units of the Scheme (including options there under) calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time.</p> <p>The NAV will be computed upto 3 decimal places.</p>
<p><b>Half yearly Disclosures: Portfolio / Financial Results</b></p> <p>This is list of securities where the corpus of the scheme is currently invested. The market value of these investments is also slated in portfolio disclosures</p>	<p>The AMC/Mutual Fund shall within one month from the close of each half year, that is on March 31st and on September 30th, host a soft copy of its unaudited financial results on their website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>. The half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule of the SEBI (Mutual Funds) Regulations, 1996 and such other details as are necessary for the purpose of providing a true and fair view of the operations of Mirae Asset Mutual Fund.</p> <p>The AMC/Mutual Fund shall publish an advertisement disclosing the hosting of unaudited financial results on their website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> 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.</p> <p>The mutual fund shall publish an advertisement in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half-yearly statement of the Scheme portfolio on its website and on the website of Association of Mutual Funds in India (AMFI). The AMC will provide a physical copy of the statement of its Scheme portfolio, without charging any cost, on specific request received from a unitholder.</p>
<p><b>Annual Report</b></p>	<p>Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI Circular No. Cir/IMD/DF/16/2011 dated September 8, 2011, read with SEBI Mutual Fund (Second Amendment) Regulation 2018, the scheme wise annual report or abridged summary thereof will be hosted on the website of the Mirae Asset Mutual Fund viz. <a href="https://miraeassetmf.co.in">https://miraeassetmf.co.in</a> and on the website of AMFI, not later than four months after the close of each financial year (31st March). The AMCs shall display the link prominently on the website of the Mirae Asset Mutual Fund viz. <a href="https://miraeassetmf.co.in">https://miraeassetmf.co.in</a> and make the physical copies available to the unitholders, at their registered offices at all times. Unit holders whose e-mail addresses are not registered will have to specifically 'opt in' to receive physical copy of scheme wise annual report or abridged summary thereof. The unit holders may request for a physical copy of scheme annual reports at a price and the text of the relevant scheme by writing to the Mirae Asset Investment Managers (India) Pvt Ltd. / Investor Service Centre / Registrar &amp; Transfer Agents. The Mutual Fund / AMC shall provide a physical copy of abridged report of the annual report, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every year disclosing the hosting of the scheme wise annual report on website of Mirae</p>

	Asset Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition
<b>Monthly Portfolio</b>	The AMC/Mutual Fund shall disclose portfolio (along with ISIN) as on the last day of the month for all their schemes on its website on <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> or before the tenth day of the succeeding month in a user friendly format.
<b>Monthly Average Asset under Management (Monthly AAUM) Disclosure</b>	The Mutual Fund shall disclose the Monthly AAUM under different categories Schemes as specified by SEBI in the prescribed format on a monthly basis on its website viz. <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> and forward to AMFI within 7 working days from the end of the month.
<b>Associate Transactions</b>	Please refer to SAI.
<b>Taxation</b>  The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorized dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.	For further details on taxation please refer to the clauses on Taxation in SAI.
<b>Investor Services</b>	Mr. Girish Dhanani Mirae Asset Investment Managers (India) Pvt. Ltd. 606, 6 <sup>th</sup> Floor, Windsor Bldg, Off CST Road, Kalina, Santacruz (E), Mumbai - 400 098. Telephone Nos.: 6780 0300 / 25 e-mail: <a href="mailto:customercare@miraeasset.com">customercare@miraeasset.com</a>  <b>Investors are advised to contact any of the ISCs or the AMC by calling the investor line of the AMC at "1800 2090 777" to know the latest position on Entry / Exit Load structure prior to investing. Investors can also visit the website at <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> for complete details.</b>

## **D COMPUTATION OF NAV**

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

NAV of Units under the Options there under can be calculated as shown below:

$$\text{NAV} = \frac{\text{(Market or Fair Value of Scheme's investments + Current assets including Accrued Income - Current Liabilities and provisions including accrued expenses)}}{\text{No. of Units outstanding under the Scheme/Option.}}$$

The NAV, the sale and repurchase prices of the Units will be calculated and announced at the close of each business day. The NAVs of the Scheme will be computed and units will be allotted upto 3 decimals.

Computation of NAV will be done after taking into account dividends paid, if any, and the distribution tax/any TDS thereon , if applicable thereon, if applicable.

The valuation of the Schemes' assets and calculation of the Schemes' NAVs shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

#### IV FEES AND EXPENSES

This section outlines the expenses that will be charged to the scheme.

##### A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sale and distribution fees paid, marketing and advertising, registrar expenses, printing and stationery, bank charges etc. NFO expenses shall be borne by the AMC.

##### B. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that upto 2.25% of the daily net assets of the Scheme will be charged to the scheme as expenses. As per the Regulations, the maximum recurring expenses including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of daily net assets as in the table below:

<b>First Rs. 500 crores</b>	2.25%
<b>Next Rs. 250 crores</b>	2.00%
<b>Next Rs. 1250crores</b>	1.75%
<b>Next Rs. 3000 crores</b>	1.60%
<b>Next Rs. 5000 crores</b>	1.50%
<b>on the next Rs. 40,000 crores of the daily net assets</b>	Total expense ratio reduction of 0.05% for every increase of Rs 5,000 crores of daily net assets or part thereof,
<b>Balance of assets</b>	1.05%

The recurring expenses of operating the Scheme on an annual basis, which shall be charged to the Scheme, are estimated to be as follows (each as a percentage per annum of the daily net assets)

<b>Particulars</b>	<b>% p.a. of daily net assets</b>
Investment Management & Advisory Fee	Upto 2.25%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps for cash market transactions and 5 bps for derivative trades @@	
GST on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses*	
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>	<b>Upto 2.25%</b>

Particulars	% p.a. of daily net assets
^ Additional expenses under regulation 52 (6A) (c) Upto 0.20%	Upto 0.05%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

\*Other expenses: Any other expenses which are directly attributable to the Scheme, may be charged with approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

^ In terms of SEBI Circular No SEBI/HO/IMD/DF2/CIR/P/2018/15 dated February 02, 2018, in case exit load is not levied / not applicable, the AMC shall not charge the said additional expenses.

@@ Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment shall not exceed 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.

The purpose of the above table is to assist the investor in understanding the various costs & expenses that the investor in the Scheme will bear directly or indirectly. These estimates have been made in good faith as per the information available to the AMC and the above expenses (including investment management and advisory fees) are subject to inter-se change and may increase/decrease as per actual and/or any change in the Regulations, as amended from time to time.

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

In addition to the limits as specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations 1996 ['SEBI Regulations'] or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the scheme namely:-

Additional expenses for gross new inflows from specified cities:

- (a) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least -
  - (i) 30 per cent of gross new inflows in the scheme, or;
  - (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

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

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

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

Currently, SEBI has specified that the above additional expenses may be charged for inflows from beyond 'Top 30 cities.' The top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

Provided further that, additional TER can be charged based on inflows only from retail investors from B30 cities in terms of SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018 read with SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019.

‘Retail investors’ are defined as individual investors with an inflow of an amount upto Rs 2,00,000/- per transaction.

This sub clause (a) shall be applicable for inflows received during the NFO period.

(b) GST payable on investment and advisory service fees (‘AMC fees’) charged by Mirae Asset Investment Managers (India) Private Limited (‘Mirae Asset AMC’);

Within the Total Expense Limit chargeable to the Scheme, following will be charged to the Scheme:

(a) GST on other than investment and advisory fees, if any, (including on brokerage and transaction costs on execution of trades) shall be borne by the Scheme;

(b) Investor education and awareness initiative fees of at least 2 basis points on daily net assets of respective Scheme.

The current expense ratios will be updated on the AMC website <https://miraeassetmf.co.in/downloads/regulatory> at least 3 working days prior to the effective date of the change.

Further, the notice of change in base TER (i.e. TER excluding additional expenses provided in Regulation 52(6A) (b) and 52(6A)(c) of SEBI (Mutual Funds) Regulations, 1996) in comparison to previous base TER charged to the scheme will be communicated to investors of the scheme through notice via email or SMS at least three working days prior to effecting such change.

However, any decrease in TER due to decrease in applicable limits as prescribed in Regulation 52 (6) (i.e. due to increase in daily net assets of the scheme) would not require issuance of any prior notice to the investors. Further, such decrease in TER will be immediately communicated to investors of the scheme through email or SMS and uploaded on the AMC website.

The above change in the base TER in comparison to previous base TER charged to the scheme shall be intimated to the Board of Directors of AMC along with the rationale recorded in writing.

The changes in TER shall also be placed before the Trustees on quarterly basis along with rationale for such changes.

#### **Illustration of impact of expense ratio on scheme’s returns**

<b>Particulars</b>		<b>NAV</b>
Opening NAV per unit	A	10.000
Gross Scheme Returns @ 8.75%	B	0.875
Expense Ratio @ 1.50 % p.a. (including distribution expenses) charged during the year	$C = (A \times 1.50\%)$	0.150
Closing NAV per unit	$D = A + B - C$	10.725
Net 1 Year Return	$D/A - 1$	<b>7.25%</b>

The above calculation is provided to illustrate the impact of expenses on the scheme returns and should not be construed as indicative Expense Ratio, yield or return.



### TER for the Segregated Portfolio

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

### TRANSACTION CHARGES:

SEBI with the intent to enable investment by people with small saving potential and to increase reach of Mutual Fund products in urban areas and in smaller towns, wherein the role of the distributor is vital, has allowed AMCs vide its circular no. Cir/IMD/DF/13/2011 dated August 22, 2011 to deduct transaction charges for subscription of Rs. 10,000/- and above. The said transaction charges will be paid to the distributors of the Mutual Fund products (based on the type of product).

In accordance with the said circular, AMC / Mutual Fund will deduct the transaction charges from the subscription amount and pay to the distributors (based on the type of product and those who have opted to receive the transaction charges) as shown in the table below. Thereafter, the balance of the subscription amount shall be invested.

- Transaction charges shall be deducted for Applications for purchase/ subscription received by distributor/ agent as under:

Investor Type	Transaction Charges
<b>First Time Mutual Investor</b>	Transaction charge of Rs.150/- for subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested.
<b>Investor other than First Time Mutual Investor</b>	Transaction charge of Rs. 100/- per subscription of Rs, 10,000 and above will be deducted from the subscription amount and paid to the distributor/ agent of the investor. The balance of the subscription amount shall be invested.

- Transaction charges shall not be deducted for:

- Purchases /subscriptions for an amount less than Rs. 10,000/-; and
- Transactions other than purchases/ subscriptions relating to new inflows such as Switches, etc.
- Any purchase/subscription made directly with the Fund (i.e. not through any distributor/ agent).
- Transactions carried out through the stock exchange platforms.

### C LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time.

**Investors are advised to contact any of the ISCs or the AMC by calling the investor line of the AMC at "1800 2090 777" to know the current applicable load structure prior to investing. Investors can also visit the website at [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in) for complete details.**

**Entry Load: Not Applicable:** In accordance with SEBI circular no. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) accepted by the Mutual Fund with effect from August, 1, 2009. The upfront commission shall be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.

**Exit Load:** 0.25% If units Redeemed or Switched Out within 30 days from the date of allotment. Nil after 30 Days.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres. As per SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, no load would be charged on Bonus units.

The Mutual Fund may charge the load within the stipulated limit of 7% and without any discrimination to any specific group. The Repurchase Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Repurchase price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

All Loads are intended to enable the AMC to recover expenses incurred for promotion or distribution and sales of the Units of the Scheme. The Fund/AMC shall retain the load, in the Scheme in a separate account and use it to cover the cost of raising/redeeming units on a continuous basis by way of providing redemption/distribution related services to the Fund relating to the sale, promotion, advertising and marketing of the units of the Scheme and costs associated with liquidating the Fund's investment securities, including payments for postage and also payments to brokers for their services in connection with the redemption/distribution of the units. Surplus of load, if any, charged over planned marketing and distribution expenses will be credited to the scheme, whenever felt appropriate by the AMC.

The Trustee reserves the right to modify/alter the load structure and may decide to charge an exit load on the Units with prospective effect, subject to the maximum limits as prescribed under the SEBI Regulations. At the time of changing the load structure, the AMC shall take the following steps:

- A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all the Mirae Asset ISCs' and distributors' offices.
- The notice-cum-addendum detailing the changes shall be attached to SIDs and Key Information Memoranda. The addendum will be circulated to all the distributors so that the same can be attached to all SIDs and Key Information Memoranda already in stock.
- The introduction of the exit load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
- Any other measures which the mutual funds may feel necessary.

The AMC may change the load from time to time and in case of an exit/repurchase load this may be linked to the period of holding. It may be noted that any such change in the load structure shall be applicable on prospective investment only. The exit load (net off GST, if any, payable in respect of the same) shall be credited to the Scheme of the Fund.

The distributors should disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the scheme is being recommended to the investor.

## **V. RIGHTS OF UNITHOLDERS**

Please refer to SAI for details

## **VI. PENALTIES AND PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY**

This section shall contain the details of penalties, pending litigation and action taken by SEBI and other regulatory and Govt. Agencies.

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.: **None**
2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and / or the AMC AND / or the Board of Trustees / Trustee Company, for irregularities or for violations in the financial services sector, or for default with respect to shareholders or debenture holders and depositors or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed: **None**
3. Details of all enforcement actions taken by SEBI in the last three years and /or pending with SEBI for the violation of SEBI Act, 1992 and the Rules and Regulations framed there under including debarment and /or suspension and/or cancellation and/or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel (especially the fund managers) of the AMC and Trustee Company were/are a party. The details of the violation shall also be disclosed.: **None**
4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel are a party should also be disclosed separately.: **None**
5. Any deficiency in the systems and operations of the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.: **None**

**Note:** The Trustees have ensured that the Scheme approved by them is a new product offered by Mirae Asset Mutual Fund and not a minor modification of the exiting Schemes.

**Notwithstanding anything contained in this SID, the provisions of the SEBI (Mutual Funds), Regulations, 1996 and the guidelines thereunder shall be applicable.**

**THE TERMS OF THE SCHEME WERE APPROVED BY THE DIRECTORS OF MIRAE ASSET TRUSTEE COMPANY PRIVATE LIMITED VIDE THEIR CIRCULAR RESOLUTION NO. 292 DATED FEBRUARY 05, 2020.**

For and on behalf of the Board of Directors of

**Mirae Asset Investment Managers (India) Private Limited  
(Asset Management Company for Mirae Asset Mutual Fund)**

**Sd/-**

**Rimmi Jain**  
Compliance Officer

Place: Mumbai  
Date: 21/05/2020

## MIRAE ASSET MUTUAL FUND BRANCH OFFICES

• Ahmedabad - Unit No:-104, 1st Floor, SPG Empressa, Mithakhali - 380 009. • Bangalore - Unit No. 204, 2nd Floor Prestige Meridian II, No. 30, M.G Road, Bangalore - 560 001. Tel-080-44227777. • Bhubaneswar - Office No. 202, 2nd Floor, Janpath Tower, Ashok Nagar, Bhubaneswar-751009. Tel-7381029019. • Chandigarh - SCO 2473-2474, First Floor, Sector 22 C, Chandigarh - 160022. Tel-0172-5030688. • Chennai - New No.3, Old.No.2, Burkit Road, T. Nagar - 600017. Tel-044-44227777. • Jaipur - Unit 804, 8th Floor, Okay Plus Tower, Ajmer Road, Jaipur-302001. Tel-0141-2377222. • Kanpur - Office no 303 & 304, 3rd Floor, 14/113 KAN Chambers, Civil Lines, Kanpur-208 001. Tel-81770 00201. • Kolkata - Krishna Building, 5th Floor, Room No 510, 224, A.J.C. Bose Road, Kolkata-700017. Tel-033-44227777. • Lucknow - Office no. 308, 3rd Floor, Saran Chamber-II, 5, Park Road, Lucknow-226001. Tel-0522- 4241511. • Mumbai (Corporate Office) - Unit No. 606, 6th Floor, Windsor Bldg., Off. CST Road, Kalina, Santacruz (E), Mumbai-400 098.Tel-022-67800300. • Mumbai (Branch Office) - Ground Floor, 3, 4, 9, Rahimtoola House, 7, Homji Street, Fort, Mumbai - 400001. Tel-022-49763740. • New Delhi - 1110 Ansal Bhavan, 16 K. G. Marg, New Delhi-110001. Tel-011-44227777. • Pune - 75/76, 4th Floor, C-Wing, Shreenath Plaza, Dnyaneshwar Paduka Chowk, Shivaji Nagar, Pune-411 005. Tel-020-44227777. • Rajkot - Office No. 406, 4th Floor, The Imperia, Near Limbda Chowk, Opposite Shastri Maidaan, Rajkot - 360 002 • Secunderabad - No. 208, Legend Crystal Building, 2nd Floor, PG Road, Secunderabad-500003. Tel-040-66666723. • Vadodara - Office no FF - 7, Concorde Building, R C Dutt Road, Alkapuri, Vadodara-390007. Tel-9375504443. • Surat - C-225, ITC Building, Majura Gate, Ring Road, Surat - 395002. Tel-0261-4888844.

## KFIN TECHNOLOGIES PRIVATE LIMITED (REGISTRAR)

• Agra - House No. 17/2/4, 2nd Floor, Deepak Wasan Plaza, Behind Hotel Holiday Inn, Sanjay Place, Agra, Uttar Pradesh - 282 002. • Ahmedabad - Office No. 401, on 4th Floor, ABC-I, Off. C.G. Road, Ahmedabad - 380009 • Ajmer - 1-2, 2nd Floor Ajmer Tower, Kutchary Road, Ajmer-305001 • Allahabad - Meena Bazar, 2nd Floor, 10, S. P. Marg, Civil Lines, Subhash Chauraha, Allahabad, Uttar Pradesh - 211 001. • Amritsar - 72-A, Taylor's Road, Agra Heritage Gandhi Ground, Amritsar-143001 • Anand - B-42, Vaibhav Commercial Center, Nr. TVS Down Town Show Room, Grid Char Rasta, Anand - 380001 • Asansol - 112/N, G. T. ROAD, BHANGA PACHIL, G.T Road, Asansol, Pin: 713 303; Paschim Bardhaman, West Bengal • Aurangabad - Shop no B - 38, Motiwala Trade Centre, Nirala Bazar ,Aurangabad 431001 • Balasore - 1-B, 1st Floor, Kalinga Hotel Lane, Baleshwar, Baleshwar Sadar Balasore - 756001, Orissa • Bangalore - 35, New No. 59, 1st Floor Kamala Nivas Puttanna Road, Basavangudi, Bangalore - 560004 • Baroda - SB-5, Mangaldeep Complex, Opp. Mesonic Hall, Productivity Road, Alkapuri, Baroda-390007 • Bharuch - 123 Nexus business Hub ,Near Gangotri Hotel ,B/s Rajeshwari Petroleum ,Makampur Road ,Bharuch -392001 • Bhavnagar - Office No 306-307, Krushna Darshan Complex, 3rd Floor, Parimal Chowk, Above Jed Blue Show Room Bhavnagar - 364002 • Bhilai - Office No. 2, 1st Floor, Plot No. 9/6, Nehru Nagar (East), Bhilai, Durg, Pin - 490 020, Chhattisgarh • Bhopal - Gurukripa Plaza, Plot No. 48A, Opposite City Hospital, Zone-2, M P Nagar, Bhopal, Madhya Pradesh - 462 011. • Bhubaneswar - A/181, Saheed Nagar, Janardan House, Room No: 07, 3rd Floor, Bhubaneswar, Orissa - 751007. • Burdwan - 63 G. T. Road, Birhata, Halder Complex, 1st Floor, Burdwan-713101 • Calicut - Sowbhagya Shopping Complex, Areyadathupalam, Mavoor Road, Calicut-673004 • Chandigarh - SCO 2423-2424, Sector 22-C, Chandigarh-160022 • Chennai - Flat No.F11, 1st Floor, Akshya Plaza, (Erstwhile Harris Road), Opp.Chief City Metropolitan Court, # 108, Adhithanar Salai, Egmore, Chennai-600002 • Cochin - Ali Arcade, 1st Floor, Kizhavana Road, Panampilly Nagar, Near Atlantis Junction, Ernakulam-682036 • Coimbatore - 1057, 3rd Floor, Jaya Enclave, Avanashi Road, Coimbatore-641018 • Cuttack - Dargha Bazar, Opp. Dargha Bazar Police Station, Buxibazar, Cuttack-753001 • Dehradun - Kaulagarh Road, Near Sirmour Marg, Above Reliance Webworld, Dehradun-248001 • Dhanbad - 208, New Market, 2nd Floor, Katras Road, Bank More, Dhanbad-826001 • Durgapur - MWAV-16 Bengal Ambuja, 2nd Floor, City Centre, Durgapur-713216 • Faridabad - A-2B, 2nd Floor, Neelam Bata Road, Peerki Mazar, Nehru Ground, Nit, Faridabad, Haryana -121 001 • Gandhinagar - Plot No.945/2, Sector-7/C, Gandhinagar-382007 • Ghaziabad - 1st Floor, C-7, Lohia Nagar, Ghaziabad-201001 • Gorakhpur - Above V.I.P. House, Adjacent A. D. Girls College, Bank Road, Gorakhpur-273001 • Gurgaon - 2nd Floor, Vipul Agora, M. G. Road, Gurgaon - 122001, Haryana • Guwahati - 54, Sagarika Bhawan, R. G. Baruah Road, (AIDC Bus Stop), Guwahati-781024 • Hubli - 22 & 23, 3rd Floor, Eureka Junction, T. B. Road, Hubli-580029 • Hyderabad -303, Vamsee Estates, Opp. Bigbazaar, Ameerpet, Telangana - 500 016. • Indore - 101, Diamond Trade Centre, Indore, Madhya Pradesh - 452 001 • Jalandhar - Lower Ground Floor, Office No.3, Arora Prime Tower, Plot No.28, G. T. Road, Jalandhar-144001 • Jabalpur - 3rd Floor, R.R. Tower. 5, Lalpathkunj, Near Tayabali Petrol Pump, Jabalpur - 482 001. • Jamnagar - 1st Floor, Madhav Plaza, Opp. SBI Bank, Nr. Lal Bunglow, Jamnagar, Gujarat • Jamshedpur - Madhukunj, 3rd Floor, No. 1 Q Road, Sakshi, Bistupur, East Singhbhum; Jamshedpur - 831001, Jharkhand • Jodhpur - Shop No. 6, Ground Floor, Gang Tower, Opposite Arora Moler Service Center, Near Bombay Moler Circle, Jodhpur, Rajasthan - 342 003. • Kanpur - 15/46, Ground Floor, Opp. Muir Mills, Civil Lines, Kanpur-208001 • Kolhapur - 605/1/4 'E' Ward, Near Sultane Chambers, Shahupuri, 2nd Lane, Kolhapur-416001 • Kolkata - 166A, Rashbehari Avenue, 2nd Floor, Near Adi Dhakerhwari Bastralaya, Opp. Fortis Hospital, Kolkata-700029 • Kolkata - Dalhousie - (Only for Equity transactions) Martin Burn Building, 1, R. N. Mukherjee Road, 2nd Floor, Room No.226, (Opp. Lalbazar Police HQ.), Kolkata-700001 • Lucknow - 1st Floor, A.A. Complex, Thaper House, 5 Park Road, Hazratganj, Lucknow-226001 • Ludhiana - Second Floor, SCO 122, Above HDFC Mutual Fund, Feroz Gandhi Market, Ludhiana - 141001 • Madurai - Rakesh Towers, 30-C, Bye Pass Road, 1st Floor, Opp. Nagappa Motors, Madurai-625010 • Mangalore - Ground Floor, Mahendra Arcade, Kodial Bail, Mangalore-575 003 • Mehsana - FF-21, Someshwar Shopping Mall, Modhera Char Rasta, Mehsana - 384 002 • Moradabad - Chadha Complex, G. M. D. Road, Near Tadi Khana Chowk, Moradabad - 244 001, Uttar Pradesh • Mumbai - Borivali - (Only for non-liquid transactions) Gomati Smuti, Ground Floor, Jambli Gully, Near Railway Station, Borivali West, Mumbai-400091 • Mumbai - Chembur - (Only for Equity transactions) Shop No.4, Ground Floor, Shram Safalya Building, N G Acharya Marg, Chembur, Mumbai-400071 • Mumbai - Fort - (Only for Equity transactions) Office No.01/04, 2/4B, Raja Bahadur Compound, Ambalal Doshi Marg, Behind Bombay Stock Exchange, Fort, Mumbai-400001 • Mumbai - Thane - (Only for non-liquid transactions) Room No. 302, 3rd Floor, Ganga Prasad, Near RBL Bank Ltd., Ram Maruti Cross Road, Naupada, Thane West - 400 602 • Mumbai - Vashi - (Only for Equity transactions) A-Wing, Shop No. 205, 1st Floor, Vashi Plaza, Sector 17, Navi Mumbai - 400 073. • Mumbai - Vile Parle - (Only for Equity transactions) 104, Sangam Arcade, V P Road, Opp. Railway Station, Above Axis Bank, Vile Parle West, Mumbai-400056 • Muzaffarpur - First Floor, Saroj Complex, Diwam Road, Near Kalyani Chowk, Muzaffarpur, Bihar - 842001 • Mysore - L-350, Silver Tower, Clock Tower, Ashoka Road, Mysore-570001 • Nadiad - 104/105 G City Point, Near Paras Cinema, Nadiad-387001 • Nagpur -Plot No. 2 , Survey No. 1032 and 1033 of Gaggda Khare Town, Dharampet, Nagpur - 440010 • Nasik - F-1, Suyojit Sankul, Sharanpur Road, Near Rajiv Gandhi Bhavan, Nasik- 422002 • Navsari - 103, 1st Floor Landmark Mall, Near Sayaji Library, Navsari, Gujarat-396 445 • New Delhi - 305, 3rd Floor, New Delhi House, Bara Khamba Road, Connaught Place, New Delhi-110001 • Panipat - 1st Floor, Krishna Tower, Near HDFC Bank, Opp. Railway Road, G. T. Road, Panipat-132103 • Panjim - City Business Centre, Coelho Pereira Building, Room Nos.18, 19 & 20, Dada Vaidya Road, Panjim-403001 • Patiala - Sco. 27, Chhoti Baradari, Patiala-147001 • Patna - 3A, 3rd Floor, Anand Tower, Beside Chankya Cinema Hall, Exhibition Road, Patna-800001 • Pondicherry - 1st Floor, No.7, Thiagarajar Street, Pondicherry-605001 • Pune - Mozaic Bldg., CTS No. 1216/1, Final Plot No.576/1 TP, Scheme No. 1, F C Road, Bhamburda, Shivaji Nagar, Pune-411004 • Raipur - 2 & 3 Lower Level, Millenium Plaza, Room No. LI 2 & 3, Behind Indian Coffee House, Raipur-492001 • Rajkot - 104, Siddhi Vinayak Complex, Dr. YagnikRoad, Opp. Ramkrishna Ashram, Rajkot-360001 • Ranchi - Room No. 307, 3rd Floor, Commerce Towers, Beside Mahabir Towers, Main Road, Ranchi-834001 • Rourkela - (Only for Equity transactions) 2nd Floor, Main Road, Udit Nagar, Rourkela, Sundargarh, Orissa - 769012 • Salem - No 40, 2nd Floor, Brindavan Road, Near Perumal Koil, Fairlands, Salem-636016 • Sambalpur - Sahej Plaza, First Floor, Shop No. 219, Golebazar, Sambalpur, Odisha - 768 001 • Shillong - Mani Bhawan, Thana Road, Lower Police Bazar, Shillong-793 001 • Siliguri - 2nd Floor, Nanak Complex, Sevoke Road, Siliguri - 734001 • Surat - G-5 Empire State Building, Near Parag House, Udhna Darwaja, Ring Road, Surat-395002 • Trichy - No 23C/1 E VR Road, Near Vekkaliannan Kalyana Mandapam, Putthur, Trichy - 6200017, Tamilnadu • Trivandrum - 2nd Floor, Akshaya Towers, Above Jetairways, Sasthamangalam, Trivandrum-695010 • Udaipur - Shop No. 202, 2nd Floor, Business Centre, 1C Madhuvan, Opp G.P.O., Chetak Circle, Udaipur, Rajasthan - 313 001 • Valsad - 406 Dreamland Arcade, Opp Jade Blue, Tithal Road, Valsad - 396001, Gujarat • Vapi - A-8, First Floor, Solitaire Business Centre, Opp DCB Bank, GIDC Char Rasta, Silvassa Road, Vapi - 396 191 • Varanasi - D-64/132, 2nd Floor, KA, Mauza, Shivpurwa, Settlement, Plot No 478, Pargana: Dehat Amanat, ohalla Siga, Varanashi - 221010, Uttar Pradesh • Vijayawada - 1st Floor, H No. 26-23, Sundaramma Street, Gandhi Nagar, Vijayawada, Andhra Pradesh - 520 011. • Visakhapatnam - Ground Floor, 48-10-40, SriNagar Colony, Visakhapatnam, 530016 • Vellore - No.1, M N R Arcade, Oficers Line, Krishna Nagar, Vellore-632001 • Warrangal - 5-6-95, 1st Floor, Opp. B Ed College, Lashkar Bazar, Chandra Complex, Hanmakonda, Warrangal-506001 • Guntur - D No. 6-10-27, Srinilayam, Arundelpet, 10/1, Guntur - 522002 • Kurmool - Shop No. 47, 2nd Floor, S Komda Shopping Mall, Kurmool - 518001 • Bhagalpur - 2nd Floor, Chandralok Complex, Near Ghanta Ghar, Bhagalpur - 812001, Bihar • Darbhanga - Jaya Complex, 2nd Floor, Above Furniture Planet, Donar Chowk, Darbhanga - 846003 • Bilaspur - KFin Technologies Pvt. Ltd, Anandam Plaza; Shop.No. 306; 3rd Floor, Vyapar Vihar Main Road, Bilaspur - 495001, Chattisgarh • Gandhidham - Shop # 12, Shree Ambica Arcade, Plot # 300, Ward 12, Opp. CG High School, Near HDFC Bank, Gandhidham - 370201 • Junagadh - 124-125 Punit Shopping Center, M.G. Road, Ranavav Chowk, Junagadh - 362001 • Ambala - 6349, 2nd Floor, Nicholson Road, Adjacent Kos Hospital Ambala Cant, Ambala - 133001, Haryana • Rohtak - 1st Floor, Ashoka Plaza, Delhi Road, Rohtak - 124001 • Yamuna Nagar - B-V, 185/A, 2nd Floor, Jagadri Road, Near DAV Girls College, (UCO Bank Building) Pyara Chowk, Yamuna Nagar - 135001, Haryana • Shimla - 1st Floor, Hills View Complex, Near Tara Hall, Shimla - 171 001, Himanchal Pradesh • Jammu - Gupta's Tower, 2nd Floor, CB-12, Rail Head Complex, Jammu - 180012 • Bokaro - City Centre, Plot No. HE-07; Sector-IV; Bokaro Steel City - 827004 • Belgaum - CTS No. 3939 / A2 A1, Above Raymonds Show Room, Beside Harsha Appliances, Club Road, Belgaum - 590001 • Kottayam - 11-4-3/3 Shop No. S-9, 1st Floor, Srivenkata Sairam Arcade, Old CPI Office, Near Priyadarshini College, Nehru Nagar, Khammam - 507002, Telangana • Trichur - 2nd Floor, Brothers Complex, Naikkanal Junction, Shomur Road, Near Dhanalakshmi Bank H O, Thrissur - 680001 • Gwalior - City Centre, Near Axis Bank, Gwalior, Madhya Pradesh - 474 011 • Amaravathi - Shop No. 21, 2nd Floor, Gulshan Tower, Near Panchsheel Talkies, Jaistambh Square, Amaravathi - 444601 • Shillong - Annex Mani Bhawan, Lower Thana Road, Near R K M LP School, Shillong - 793001 • Berhampur (Or) - Opp. Divya Nandan Kalyan Mandap, 3rd Lane Dharam Nagar, Near Lohiya Motor, Berhampur (Or) - 760001 • Bhatinda - Second floor, MCB 2-3-01043 Goniana Road Opposite Nippon India MF GT Road, Near Hanuman Chowk Bhatinda - 161001 • Bhilwara - Shop No. 27-28, 1st Floor, Heera Panna Market, Pur Road, Bhilwara - 311001 • Bikaner - 70-71, 2nd Floor, Dr. Chahar Building, Panchsati Circle, Sadul Ganj, Bikaner - 334003 • Kota - D-8, Shri Ram Complex, Opposite Multi Purpose School, Gumanpura, Kota, Rajasthan - 324 007 • Sri Ganganagar - 35E Block, Opp. Sheethla Mata Vaateka Sri Ganganagar - 335001 • Erode - No. 4, Veerappan Traders Complex, KMY Salai, Sathy Road, Opp. Erode Bus Stand, Erode - 638003 • Tirupur - First Floor, 244 A, Above Selvakumar Dept Stores, Palladam Road, Opp. to Cotton Market Complex, Tirupur - 641604 • Agartala - Bidurkarta Chowmuhani, J N Bari Road, Tripura (West) - 799001 • Aligarh - Sebti Complex Centre Point, in the city of Aligarh - 202001, UttarPradesh. • Bareilly - 54 - Civil Lines, Ayub Khan Chauraha, Bareilly - 243001, Uttar Pradesh • Meerut - H No 5, Purva Eran, Opp. Syndicate Bank, Hapur Road, Meerut - 250001, Uttar Pradesh • Saharanpur - 18, Mission Market, Court Road, Saharanpur - 247001 • Haldwani - Shop No. 5, KMVN Shopping Complex, Haldwani - 263139, Uttarakhand • Haridwar - 8, Govind Puri, Opp. LIC - 2, Above Vijay Bank, Main Road, Ranipur More, Haridwar - 249401 • Kharagpur - 180, Malancha Road, Beside Axis Bank Ltd, Kharagpur - 721304 • Karimnagar - 2nd Shetter,H.No. 7-2-607 Sri Matha Complex, Mankammathota, KarimNagar, Telangana - 505001 • Gonda - House No. 782, Shiv Sadan, ITI Road, Near Raghukul Vidya Peeth, Civil Lines, Gonda - 271001, Uttar Pradesh • Gaya - Hotel Skylark; Swaraipuri Road, Gaya - 823001, Bihar • Nungambakkam - No. 23, Cathedral Garden Road, Nungambakkam, Chennai, Tamil Nadu - 600 034 • Jhansi - 371/01, Narayan Plaza Gwalior Road, Near Jeevan Shah Chauraha, Jhansi - 284001 • Chinsura - KFin Technologies Pvt. Ltd, 96, Doctors Lane, Po: Chinsurah, Dt: Hooghly, Pin: 712101, West B • Noida - KFin Technologies Pvt. Ltd, F - 21, Sector - 18, Noida - 201301, Uttar Pradesh • Alwar - KFin Technologies Pvt. Ltd,Office Number 137, First Floor, Jai Complex Road No - 2, Alwar 301001, Rajasthan • Jaipur - KFin Technologies Pvt. Ltd,Office Number 137, First Floor, Jai Complex Road No - 2, Alwar 301001, Rajasthan