

## SCHEME INFORMATION DOCUMENT

### SECTION I

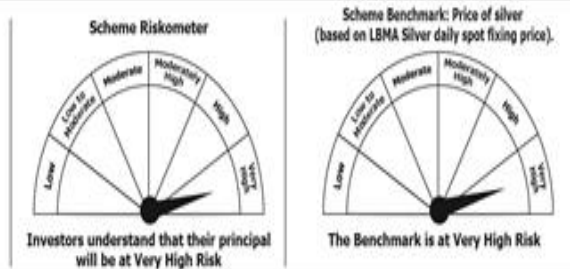
**Mirae Asset Silver ETF**  
**(NSE Symbol: SILVRETF; BSE Scrip Code: 543922)**  
**An open-ended scheme replicating/tracking Domestic Price of Silver**

#### PRODUCT LABELLING

Mirae Asset Silver ETF is suitable for investors who are seeking\*

- Investors seeking returns that are in line with the performance of silver over the long term, subject to tracking errors.
- Investments in physical silver of 99.9% purity (fineness).

\*Investors should consult their financial advisors if they are not clear about the suitability of the product.



*Continuous Offer for units at NAV based prices.*

The units of the Scheme are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). All investors including Market Makers and Large Investors can subscribe (buy) / redeem (sell) units on a continuous basis on the NSE/BSE on which the Units are listed during the trading hours on all the trading days. In addition, Market Makers can directly subscribe to / redeem units of the Scheme on all Business Days with the Fund in 'Creation Unit Size' at NAV based prices on an ongoing basis. Large Investors can transact directly with the Fund for an amount greater than INR 25 crores.

**Name of Mutual Fund: Mirae Asset Mutual Fund**

**Name of Asset Management Company:** Mirae Asset Investment Managers (India) Private Limited  
**CIN:** U65990MH2019PTC324625

**Name of Trustee Company:** 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 (MF) 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 Scheme Information Document.

The SID sets forth concisely the information about **MIRAE ASSET SILVER ETF** 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, standard risk factors, special considerations, 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 (section I & II) should be read in conjunction with SAI and not in isolation.

This SID is dated June 29, 2024

**DISCLAIMER OF NSE:**

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter no. NSE/LIST/5386 dated November 30, 2021 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's Units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's Units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its Sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any Units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**DISCLAIMER OF BSE:**

"BSE Ltd. ("the Exchange") has given vide its letter no. LO/IPO/AH/MF/IP/167/2021-22 dated December 01, 2021 permission to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Units are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to. The Exchange does not in any manner:-

warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or warrant that this scheme's units will be listed or will continue to be listed on the Exchange; or take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;

and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange.

Every person who desires to apply for or otherwise acquires any unit of this Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

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

<b>Sr. No.</b>	<b>Title</b>	<b>Description</b>
I.	<b>Name of the scheme</b>	Mirae Asset Silver ETF
II.	<b>Category of the Scheme</b>	Other Schemes - Exchange Traded Fund (ETF)
III.	<b>Scheme type</b>	An open-ended scheme replicating/tracking Domestic Price of Silver
IV.	<b>Scheme code</b>	MIRA/O/O/OET/22/11/0051
V.	<b>Investment objective</b>	To generate returns that are in line with the performance of physical silver in domestic prices, subject to tracking error. The Scheme does not guarantee or assure any returns. There is no assurance or guarantee that the investment objective of the scheme would be achieved.
VI.	<b>Liquidity/listing details</b>	<p>The Units of the ETF are listed on the Capital Market Segment of the National Stock Exchange of India Ltd (NSE) /BSE Limited (BSE) and/or any other recognized stock exchanges as may be decided by the AMC from time to time. All investors including Market Makers and Large Investors can subscribe (buy) / redeem (sell) Units of the Scheme on a continuous basis on the NSE and/ or BSE on which the Units are listed during the trading hours on all the trading days. The Units of the Scheme may be bought or sold on all trading days at prevailing listed price on such Stock Exchange(s). Alternatively, the Market Makers may subscribe to and/or redeem the units of the Scheme with the Mutual Fund on any business day at approximately indicative NAV based prices (along with applicable charges and execution variations) for applications directly received at AMC, provided the units offered for subscription and/or redemption are not less than Creation Unit size &amp; in multiples thereof. Large investors can subscribe/redeem directly with the AMC for an amount greater than Rs. 25 crores. The price of Units of the Scheme in the secondary market on the Stock Exchange(s) will depend on demand and supply at that point of time. There is no minimum trade amount, although Units are normally traded in round lots of 1 Unit.</p> <p>In addition, Market Makers can directly subscribe to/ redeem Units of the Scheme on all Business Days with the Fund in 'Creation Unit Size' and Large investors can subscribe to/ redeem Units of the Scheme for an amount greater than 25 crores on all Business Days on an ongoing basis.</p> <p>The AMC has appointed atleast two Market Maker(s) to provide for the liquidity in secondary market on an ongoing basis. The Market</p>

	<p>Maker(s) offer two-way quotes (buy and sell quotes) in the secondary market for ensuring liquidity in the Units of the Scheme.</p> <p>The list of Market Makers are updated on our website. <a href="https://www.miraeassetmf.co.in">https://www.miraeassetmf.co.in</a> Presently, following Market Makers have been appointed by the AMC:</p> <ul style="list-style-type: none"> <li>• Augmont Enterprises Private Limited</li> <li>• Parshwa Prism Gems and Jewellery Ltd</li> <li>• Raksha Bullion</li> <li>• Parwati Capital Market Private Limited</li> </ul> <p><b>Redemption of units directly with the Mutual Fund (other than Market Makers):</b> Investors other than Market Makers can redeem units directly with the Fund for less than Creation Unit size at approximately indicative NAV based prices (along with applicable charges and execution variations) of units without any exit load if:</p> <ol style="list-style-type: none"> <li>i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or</li> <li>ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</li> <li>iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.</li> </ol> <p>Such instances shall be tracked by the AMC on an ongoing basis and in case any of the above mentioned scenarios arises, the same shall be disclosed on the website of the Mutual Fund.</p> <p>Under these circumstances, investors, as specified above, can redeem units of the Scheme directly with the fund house without any exit load.</p> <p>The aforesaid criteria for the direct redemption with the fund house are also available at the website of the AMC. The mutual fund will track the aforesaid liquidity criteria and display it on its website viz., <a href="https://www.miraeassetmf.co.in/">https://www.miraeassetmf.co.in/</a> if the same is triggered, no exit load would be applicable in such cases.</p> <p><b>Redemption by NRIs/FIIs/FPI</b></p> <p>Credit balances in the account of a NRIs/FIIs/FPI unitholder may be redeemed by such unit holder subject to any procedures laid down by the RBI. Payment to NRI/FII/FPI, unit holder will be subject to the relevant laws/guidelines of RBI as are applicable from time to time (subject to deduction of tax at source as applicable).</p>
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		<p>The Fund will not be liable for any delays or for any loss on account of exchange fluctuations while converting the rupee amount in US Dollar or any other currency. In case of redemptions by NRIs, requisite TDS will be deducted from the respective redemption proceeds.</p> <p>Note: The mutual fund will rely on the NRI status and his account details as recorded in the depository system. Any changes to the same can be made only through the depository system.</p> <p>Mutual fund will repurchase units from Market Maker and large investors on any business day provided the value of units offered for repurchase is not less than creation unit size and greater than Rs. 25 crores for large investors.</p>
VII.	<b>Benchmark (Total Return Index)</b>	<p><b>Domestic Price of Physical Silver (based on London Bullion Market association (LBMA) Silver daily spot fixing price.)</b></p> <p><u>Rationale for adoption of benchmark:</u></p> <p>The Trustees have adopted Domestic Price of Physical Silver (based on London Bullion Market association (LBMA) Silver daily spot fixing price.) as the benchmark index which is in accordance with Clause 3.3.7 of SEBI Master Circular dated May 19, 2023.</p>
VIII.	<b>NAV disclosure</b>	<p>The AMC shall update the NAVs on the website of the Mutual Fund <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 (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) by 9.00 a.m. of the following business day.</p> <p>Further Details in Section II.</p>
IX.	<b>Applicable timelines</b>	<p>Timeline for</p> <ul style="list-style-type: none"> <li>• Dispatch of redemption proceeds : 3 working days from the date of redemption</li> <li>• Dispatch of IDCW: within 7 working days from the record date</li> </ul>
X.	<b>Plans and Options</b> Plans/Options and sub options under the Scheme	<p>The Scheme does not offer any Plans/Options for investment.</p> <p>The AMC and the Trustees reserve the right to introduce such other Plans/Options as they deem necessary or desirable from time to time, in accordance with the SEBI MF Regulations.</p>
XI.	<b>Load Structure</b>	<p><b>Exit Load:</b></p> <p>For investors transacting directly with the AMC: No Exit load will be levied on redemptions made by Market Makers / Large Investors directly with the AMC.</p>

		For investors transacting on the exchange: • Not Applicable.
XII.	<b>Minimum Application Amount/switch in</b>	<b>Market Maker:</b> Application for subscription of Units directly with the Fund in Creation Unit Size at NAV based prices in exchange of Portfolio Deposit and Cash Component.  <b>Large Investors:</b> Minimum amount of Rs. 25 crores for transacting directly with the AMC.  <b>Other investors (including Market Maker, Large Investors and Regulated Entities):</b> Units of the Scheme can be subscribed (in lots of 1 Unit) during the trading hours on all trading days on the NSE and BSE on which the Units are listed.
XIII.	<b>Minimum Additional Purchase Amount</b>	<b>Market Maker:</b> Application for subscription of Units directly with the Fund in Creation Unit Size at NAV based prices in exchange of Portfolio Deposit and Cash Component.  <b>Large Investors:</b> Minimum amount of Rs. 25 crores for transacting directly with the AMC.  <b>Other investors (including Market Maker, Large Investors and Regulated Entities):</b> Units of the Scheme can be subscribed (in lots of 1 Unit) during the trading hours on all trading days on the NSE and BSE on which the Units are listed.
XIV.	<b>Minimum Redemption/switch out amount</b>	<b>Market Maker:</b> Application for redemption of Units directly with the Fund in Creation Unit Size.  <b>Large Investors:</b> Minimum amount of Rs. 25 crores for redeeming directly with the AMC.  <b>Other investors (including Market Maker, Large Investors and Regulated Entities):</b> Units of the Scheme can be redeemed (in lots of 1 Unit) during the trading hours on all trading days on the NSE and BSE on which the Units are listed.
XVII.	<b>Segregated portfolio/side pocketing disclosure</b>	The Scheme has the provision to segregate a portfolio comprising of debt or money market instrument affected by a credit event.  For Details, kindly refer SAI
XVIII	<b>Swing pricing disclosure</b>	NA
XIX.	<b>Stock lending/short selling</b>	The Scheme does not intend to participate in securities lending.
XX.	<b>How to Apply and other details</b>	Application form and Key Information Memorandum may be obtained from Official Points of Acceptance (OPAs) / Investor Service Centres (ISCs) of the AMC or RTA or Distributors or can be downloaded from our website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> .

		<p>The list of the OPA / ISC are available on our website as well.</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. The application forms for subscriptions/redemptions (applicable for Market Makers /Large Investors) should be submitted at any of the ISCs/Official Points of Acceptance of the AMC.</p> <p>Details in Section II.</p>
XXI.	<b>Investor services</b>	<p>Contact Details for general service requests and complaint resolution:</p> <p><b>Mr. Chaitanya Chaubal</b>  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  e-mail: <a href="mailto:customercare@miraeasset.com">customercare@miraeasset.com</a></p> <p><b>Investors may contact any of the ISCs or the AMC by calling the investor line of the AMC at "1800 2090 777" or visit the website at <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> for complete details.</b></p>
XXIII	<b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</b>	Nil
XXIV	<b>Special product /facility available on ongoing basis</b>	Systematic Investment Plan, Systematic Transfer Plan, Systematic Withdrawal Plan are not available under this scheme
XXV.	<b>Weblink</b>	<p>A weblink for Daily TER and TER for last 6 months:  <a href="https://www.miraeassetmf.co.in/downloads/statutory-disclosure/total-expense-ratio">https://www.miraeassetmf.co.in/downloads/statutory-disclosure/total-expense-ratio</a></p> <p>A weblink for scheme factsheet:  <a href="https://www.miraeassetmf.co.in/downloads/factsheet">https://www.miraeassetmf.co.in/downloads/factsheet</a></p>
XXVI	<b>Creation Unit Size</b>	Creation Unit is fixed number of units of the Scheme, which is exchanged for a basket of securities underlying the index called the "Portfolio Deposit" and a "Cash Component" or cash of equivalent value. The Portfolio Deposit and Cash Component are defined as follows:



	<p><b>Portfolio Deposit:</b> Portfolio Deposit consists of pre-defined basket of securities that represent the underlying index and announced by AMC from time to time.</p> <p><b>Cash Component:</b> Cash component represents the difference between the applicable net asset value of a creation unit and the market value of the Portfolio deposit.</p> <p>The Portfolio Deposit and Cash Component may change from time to time due to change in NAV and will be announced by the AMC on its website. The Creation Unit size for the scheme shall be 30,000 units. For redemption of Units, it is vice versa i.e., fixed number of units of the Scheme and a cash component is exchanged for Portfolio Deposit. The Portfolio Deposit and the cash component will change from time to time as decided by AMC. The Creation Unit size may be changed by the AMC at their discretion and the notice of the same shall be published on website of Mutual Fund (<a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>).</p> <p>The Market Makers shall transact with the AMC only in multiples of creation unit size.</p>
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## **DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

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

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

Sd/-  
Name: **Rimmi Jain**  
Designation: **Compliance Officer**



## Part II. INFORMATION ABOUT THE SCHEME

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

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

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Silver*	95%	100%
Money market instruments including Tri Party REPO/ debt securities, Instruments and/or units of debt/liquid schemes of domestic Mutual Funds.	0	5%

\*includes physical silver and other silver related instruments^ which may be permitted by Regulator from time to time. Exchange Traded Commodity Derivatives (ETCDs) having silver as the underlying shall be considered as 'silver related instrument' for Silver ETF.

As per Clause 3.3.2.3 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, Investment in ETCDs having silver as the underlying by Silver ETFs will be subject to following conditions:

Exposure to derivatives of silver may be required in certain situations wherein it will be beneficial to the Scheme to invest in silver derivatives as compared to investing into physical Silver or when it is not possible to invest in physical silver due various reasons. The exposure to ETCDs having silver as the underlying shall not exceed 10% of net asset value of the scheme. However, the above limit of 10% shall not be applicable to Silver ETFs where the intention is to take delivery of the physical silver and not to roll over its position to next contract cycle.

The cumulative gross exposure through Physical Silver, Money Market Instruments and ETCDs shall not exceed 100% of the net assets of the Scheme in accordance with Clause 12.24 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

Investment in the physical silver shall be of standard 30 kg bar's with fineness of 999 parts per thousand (or 99.9% purity) confirming to London Bullion Market Association (LBMA) Good Delivery Standards. This may change as per the regulatory guidelines in future. During buying or selling, for a concerned transaction, in case of any variation in the weight of the silver bar (away from 30 kg), same shall be adjusted in the cash component i.e. higher weight will reduce cash component and lower weight will increase cash component for the concerned investor.

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.

The Scheme will not invest in ADR/ GDR / Foreign Securities / Securitized Debt/ structured obligation/ Repo in Corporate Debt Securities nor will it engage in short selling. The scheme does not intend to invest into any credit default swaps. The scheme shall not invest in instruments having Special Features as defined in Clause 12.2 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-

1/P/CIR/2023/74 dated May 19, 2023. The scheme shall not invest in Units issued by REITs and InvITs. The scheme shall not engage in Securities Lending or short selling.

However, the cumulative gross exposure to silver, Money market instruments including Tri Party REPO/ debt securities, Instruments and/or units of debt/liquid schemes of domestic Mutual Funds will not exceed 100% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days.

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 terms of Clause 12.16 of SEBI Master Circular dated May 19, 2023.

Further, the Scheme may, for meeting liquidity requirements invest in units of money market/liquid schemes of Mirae Asset Mutual Fund and/or any other mutual fund provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund. The AMC shall not charge any investment management fees with respect to such investment.

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

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1.	Securities Lending	0%	Clause 12.11 of SEBI Master Circular dated May 19, 2023
2.	Equity Derivatives for non-hedging purposes	0%	--
3.	Securitized Debt	0%	Clause 12.15 of SEBI Master Circular dated May 19, 2023
4.	Overseas Securities	0%	Clause 12.19 of SEBI Master Circular dated May 19, 2023
5.	Structured Obligations	0%	Clause 12.3 of SEBI Master Circular dated May 19, 2023
6.	Repo in Corporate Debt Securities	0%	Clause 12.18 of SEBI Master Circular dated May 19, 2023
7.	Credit default swaps	0%	Clause 12.28 of SEBI Master Circular dated May 19, 2023
8.	Instruments having Special Features	0%	Clause 12.2 of SEBI Master Circular dated May 19, 2023
9.	ReITS and InVITS	0%	Clause 12.21 of SEBI Master Circular dated May 19, 2023

10.	Exchange Traded Commodity Derivatives	10%	Clause 3.3.2.3 of SEBI Master Circular dated May 19, 2023
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\*SEBI circular references (wherever applicable) in support of exposure limits of different types of asset classes in asset allocation shall be provided.

### **Rebalancing due to passive breach**

In accordance with Clause 3.5.3.11 and 3.6.7 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 in case of change in constituents of the index due to periodic review, the portfolio of the Scheme shall be rebalanced within 7 days. Any transactions undertaken in the scheme portfolio in order to meet the redemption and subscription obligations shall be done while ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time.

In the event of involuntary corporate action, the Scheme shall dispose the security not forming part of the underlying index within 7 Days from the date of allotment/ listing.

### **Rebalancing of deviation due to short term defensive consideration**

The Scheme, out of the funds allocated shall primarily invest in Silver (includes physical Silver and other Silver related instruments which may be permitted by Regulator from time to time) and shall invest in debt and money market securities, only to the extent necessary to meet the liquidity requirements for honoring repurchase / redemptions / expenses. In view of the nature of the Scheme, the asset allocation pattern as indicated above may not change, except in line with the changes made in SEBI (MF) Regulations, from time to time.

The tracking error i.e. the annualised standard deviation of the difference in daily returns between physical silver and the NAV of Silver ETF based on past one year rolling over data (For ETFs in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2%. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMC, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. The same shall be disclosed on a daily basis on the websites of AMC and AMFI.

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. As per Clause 1.14.1.2 of SEBI Master Circular dated May 19, 2023, such changes in the investment pattern will be for short term and for defensive consideration only. The Scheme shall rebalance the portfolio in case of any deviation to the asset allocation. Such rebalancing shall be done within 7 days from the date of occurrence of deviation.

## **B. WHERE WILL THE SCHEME INVEST?**

The corpus of the Scheme shall be invested in accordance with the investment objective as follows:

- Silver bullion - fineness (or purity) of 999 parts per 1,000 (99.9%) or higher. Investments in Silver bullion will be as per the limits specified in the asset allocation table as mentioned in Section II C Asset Allocation
- Investments in silver related instruments (including derivative instruments related to silver) will be made as and when SEBI permits mutual funds to invest in silver related instruments.
- Money Market Instruments

The Scheme also may engage in silver lending, and / or deposit silver with banks in return for fees as and when permitted by SEBI.

Detailed definition and applicable regulations/guidelines for each instrument shall be included in **Section II.**

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

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 Silver (includes physical Silver and other Silver related instruments which may be permitted by Regulator from time to time) and instruments related to silver (including derivatives as and when permitted by SEBI), Debt Securities and Money Market Instruments. Investments in silver (includes physical Silver and other Silver related instruments which may be permitted by Regulator from time to time) would be primarily assessed with regard to its fineness. The AMC will endeavor to address the key risks associated with investments in Silver Bullion as under:

#### **1. Quality and Purity Risk:**

- Physical Silver purchased by the Scheme will be of fineness (or purity) of 999 parts per 1,000 (99.9%) or higher.
- Custodian will accept physical silver only if the silver is compliance with the Good Delivery norms as specified by LBMA.

#### **2. Passive Investments**

The Scheme is a passively managed fund that shall be investing substantial portion of its assets in physical silver and tracking its performance as close as possible to the price of silver. Therefore, irrespective of decline / rise in prices of physical silver, The Scheme shall remain invested in silver and being a passively managed fund, no active calls based on outlook of silver prices will be taken by the Fund.

#### **3. Custody risk**

There is a risk that part or all of the physical silver belonging to the Scheme could be lost, damaged or stolen. In order to ensure safety, the said silver will be stored with custodian in its vaults. Silver held by custodian is also insured.

#### 4. Tracking Error

Tracking error means the variance between daily returns of the underlying benchmark (silver in this case) and the NAV of the Scheme for any given period. NAV of the Scheme is dependent on valuation of silver. Silver has to be valued based on the formula prescribed by SEBI. NAV so computed may vary from the price of Silver in the domestic market.

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

- Delay in the purchase or sale of silver due to -
  - Illiquidity of silver,
  - Delay in realization of sale proceeds,
  - Creating a lot size to buy the required amount of silver
- The Scheme may buy or sell the silver at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices.
- The potential for trades to fail, which may result in the Scheme not having acquired silver at a price necessary to track the benchmark price.
- The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, dividend payouts etc.
- Execution of large buy / sell orders
- Transaction cost (including taxes and insurance premium) and recurring expenses
- Realization of Unit holders' funds

Tracking error due to movement in prices of physical silver will impact the performance of the Scheme. However, the Scheme will endeavor to keep tracking error as low as possible by:

- Use of silver related derivative instruments, as and when allowed by SEBI Regulations
- Rebalancing of the portfolio.
- Setting off of incremental subscriptions against redemptions.

The tracking error i.e. the annualised standard deviation of the difference in daily returns between physical silver and the NAV of Silver ETF based on past one year rolling over data (For ETFs in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2%. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMC, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. The same shall be disclosed on a daily basis on the websites of AMC and AMFI.

Along with the disclosure of tracking error, Silver ETF schemes shall also disclose the tracking difference i.e. the difference of returns between physical silver and the Silver ETF, on the website of the AMC on monthly basis for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

#### **Numerical illustration on Exchange Traded Commodity Derivatives (ETCDs):**



## I. Commodity Futures trade

Trade date	20-Dec
Expiry	05-Feb
Current market price/ 10gms	39,000
Lot size in gms	1,000
Lot value / contract value	39,00,000
Margin	5%
Margin Value	1,95,000
Trade / position	Buy Commodity
Quantity	1 lot
Buy price per 10 gms	39,000
Sell trade date	25-Jan
Sell price per 10gms	39,500
Gain/Loss per 10gms	500
Gain/ Loss per Lot or contract value	50,000

## II. Commodity Options Trade

Trade date	20-Dec
Contract Expiry	29-Jan
Corresponding futures contract	05-Feb
Current market price/ 10gms	39,000
Strike price	39,000
Call Options premium per 10gms	410
Trade / position	Buy strike 39000 CE
Quantity	1Kg
Buy price per 10gms	410
Sell trade date	25-Jan
Futures price on 25-Jan	39500
39000 strike CE price on 25-Jan	550
Gain/Loss per 10gms	140
Gain/Loss per contract value / Lot	14000

### 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**

Portfolio Turnover measures the volume of trading that occurs in a Scheme's portfolio (silver in this scheme) during a given time period. The Scheme is an open-ended Exchange Traded Fund. It is therefore expected that there would be a number of subscriptions and redemptions on a daily basis through Stock Exchange(s) or with Mirae Asset Mutual Fund directly by Market Makers and Large Investors that may require purchase or sale of silver. In view of the nature of the Scheme, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

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

**Benchmark (Total Returns Index):** Domestic Price of Physical Silver (based on London Bullion Market association (LBMA) Silver daily spot fixing price.)

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

The Trustees have adopted Domestic Price of Physical Silver (based on London Bullion Market association (LBMA) Silver daily spot fixing price.) as the benchmark index which is in accordance with Clause 3.3.7 of SEBI Master Circular dated May 19, 2023.

Performance comparisons for the Scheme will be made vis-à-vis the Benchmark. However, the Scheme's performance may not be strictly comparable with the performance of the Benchmark, due to the inherent differences in the construction of the portfolio.

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>	<b>Details</b>
i.	Name	Mr. Ritesh Patel (Dedicated Fund Manager for Commodity Investments)	Mr. Akshay Udeshi (Co- Fund Manager)
ii.	Age	33 years	28 years
iii.	Qualification	Bachelors in financial market, CMT L-2 Candidate	MBA - Finance; B.E (Electronics)
iv.	Past experience	Mr. Ritesh Patel has over 10 years of experience in Commodities market. Prior to joining Mirae Asset Investment Managers (India) Private Limited, Mr. Patel has	Mr. Akshay Udeshi has over 4 years of experience in the field of financial services. He has been associated with the AMC since June 2021.

		<p>worked with companies like Aditya Birla Money Ltd, IIFL Securities, Ventura Securities, Choice Broking Pvt. Ltd and Waves research.</p> <p>Currently, Mr. Ritesh Patel is also managing Mirae Asset Gold ETF and Commodity Portion of Mirae Asset Multi Asset Allocation Fund.</p>	<p>Prior to this assignment, Mr. Udeshi was associated with Reliance Retail Limited where he was involved in product development in the affordability space. He also has an experience with L&amp;T Financial Services where he was involved in product management of secured lending products.</p> <p>Others schemes co-managed by him:</p> <ul style="list-style-type: none"> <li>• Mirae Asset Nifty 100 ESG Sector Leaders ETF</li> <li>• Mirae Asset Nifty 100 ESG Sector Leaders Fund of Fund</li> <li>• Mirae Asset Gold ETF</li> </ul>
v.	Tenure for which the fund manager has been managing the scheme	1 year 4 months (Managing since June 2023)	10 months (Managing since August 28, 2023)

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

The existing ETFs of Mirae Asset Mutual Fund are as below:

1. Mirae Asset Nifty 100 ESG Sector Leaders ETF
2. Mirae Asset Gold ETF
3. Mirae Asset Hang Seng Tech ETF
4. Mirae Asset Nifty 100 Low Volatility 30 ETF
5. Mirae Asset Nifty 1D Rate Liquid ETF
6. Mirae Asset Nifty 200 Alpha 30 ETF
7. Mirae Asset Nifty 50 ETF
8. Mirae Asset Nifty 8-13 Yr G-Sec ETF
9. Mirae Asset Nifty Bank ETF
10. Mirae Asset Nifty Financial Services ETF
11. Mirae Asset Nifty India Manufacturing ETF
12. Mirae Asset Nifty IT ETF
13. Mirae Asset Nifty Midcap 150 ETF
14. Mirae Asset Nifty Next 50 ETF
15. Mirae Asset NYSE Fang+ ETF
16. Mirae Asset S & P 500 Top 50 ETF
17. Mirae Asset BSE Sensex ETF
18. Mirae Asset Silver ETF

19. Mirae Asset Nifty Smallcap 250 Momentum Quality 100 ETF  
 20. Mirae Asset Nifty MidSmallcap400 Momentum Quality 100 ETF

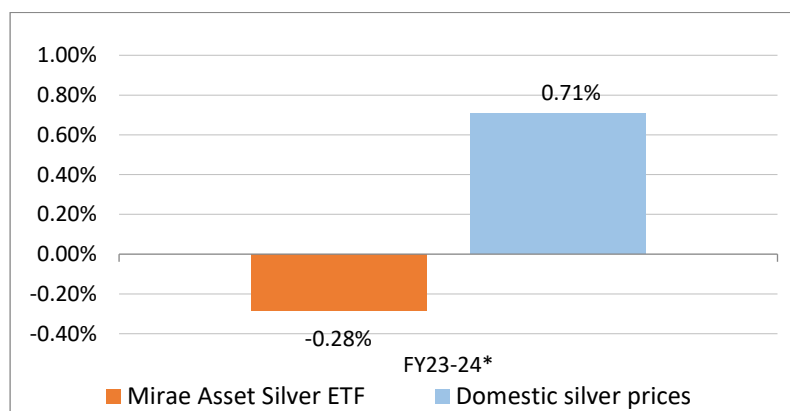
The table showing the differentiation of the Scheme with the existing ETFs of Mirae Asset Mutual Fund is available at: <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

**G. HOW HAS THE SCHEME PERFORMED:**

Particulars		
Compounded Annualised Growth Returns (CAGR)	Scheme returns (%)	Benchmark Returns (%)
Since Inception (Absolute)	24.74	25.90
Last 1 year	NA	NA
Last 3 years	NA	NA
Last 5 years	NA	NA
NAV as on 31/05/2024	91.6096	92,319.37

Since Inception date of the Scheme: June 09, 2023

**Graph showing Absolute Return for Each Financial Year for the Last 1 year**



\* from inception June 09, 2023 to March 31, 024

**Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.**

As per the SEBI standards for performance reporting, the returns are calculated at allotment NAV. For this purpose the inception date is deemed to be the date of allotment. The calculations of returns shall assume reinvestment of all payouts at the then prevailing NAV. The absolute graph of is computed from the Date of Allotment/1st April, as the case maybe, to 31st March of the respective financial year.

## H. ADDITIONAL SCHEME RELATED DISCLOSURES

- i. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors are available on functional website link:  
<https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>
- ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description - <https://www.miraeassetmf.co.in/downloads/portfolio>
- iii. Functional website link for Portfolio Disclosure - <https://www.miraeassetmf.co.in/downloads/portfolio>
- iv. Portfolio Turnover Ratio: N.A.
- v. Aggregate investment in the Scheme by:

Sr. No.	Category of Persons	Net Value		
		Units	NAV per unit	Market Value
1.	Fund Manager(s)			
	Mr. Ritesh Patel	0	0	0
	Mr. Akshay Udeshi	0	0	0

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

### Investments of AMC in the Scheme –

<https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>.

The AMC shall not invest in any of the schemes unless full disclosure of its intention to invest has been made in the Scheme Information Document and that the AMC shall not be entitled to charge any fees on such investment

## Part III- OTHER DETAILS

### A. 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:

**NAV** = (Market or Fair Value of Scheme's investments + Current assets including Accrued Income - Current Liabilities and provisions including accrued expenses)

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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 working day. The NAVs of the Scheme will be computed and units will be allotted upto 4 decimals.

Computation of NAV will be done after taking into account Income Distribution Cum Capital Withdrawal paid, if any, and the distribution tax 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.

**Illustration on Computation of NAV:**

If the net assets of the Scheme are Rs.10,65,44,345.34 and units outstanding are 1,00,00,000 then the NAV per unit will be computed as follows:

$10,65,44,345.34 / 1,00,00,000 = \text{Rs. } 10.6544 \text{ p.u. (rounded off to four decimals)}$

The Mutual Fund may charge the load within the stipulated limit of 5% and without any discrimination to any specific group. The Repurchase Price however, will not be lower than 95% of the NAV.

**Valuation of Silver**

The Scheme will invest in physical silver. Since physical silver and other permitted instruments linked to silver are denominated in silver tonnage, it will be valued based on the market price of silver in the domestic market and will be marked to market on a daily basis. The market price of silver in the domestic market on any Business Day would be arrived at as under:

**Value of Silver:**

The market price of silver in the domestic market on any Business Day would be arrived at as under:

- (1) The silver held by the Scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for silver having a fineness of 999.0 parts per thousand, subject to the following:
  - (a) adjustment for conversion to metric measures as per standard conversion rates;
  - (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
  - (c) addition of -
    - (i) transportation and other charges that may be normally incurred in bringing such silver from London to the place where it is actually stored on behalf of the Fund; and

(ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the silver from London to the place where it is actually stored on behalf of the Fund:

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of silver to the place where it is stored on behalf of the Fund.

Provided further that where the silver held by a Scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph

(2) If the silver acquired by the Scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of sub- paragraph (1).

Price of silver (London Rate)	A	23.865 \$/ounce
Premium (cost of import)	B	1.04 \$/ounce
Total price of silver	C=(A+B)	24.905 \$/ounce
Conversion factor (Kgs to ounce)	D	31.99
RBI Reference Rate (\$)	E	74.1659
Price of silver per Kg. (CxDxE)	F	Rs.59,088.7846
Import Duty per Kg*	G	Rs. 6204.3224
Total price of silver (F+G)	H	Rs. 65293.1070
Stamp duty (0.10% of H)	I	Rs. 65.2931
Total landed price of silver Per Kg.	J	Rs. 65,358.4001

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

#### **B. NEW FUND OFFER (NFO) EXPENSES**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. NFO expenses were borne by the AMC. No NFO expenses were charged to the Scheme.

#### **C. ANNUAL SCHEME RECURRING EXPENSES**

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

The AMC has estimated that upto 1% of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/total-expense-ratio>

<b>Expense Head</b>	<b>% p.a. of daily Net Assets* (Estimated p.a.)</b>
Investment Management & Advisory Fee	Upto 1.00%
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including Agents Commission and statutory advertisement	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education & awareness - 1 bps	
Brokerage & transaction cost pertaining to distribution of units @@	
Goods & Services Tax on expenses other than investment and advisory fees	
Goods & Services Tax on brokerage and transaction cost	
Other Expenses (to be specified as per Reg 52 of SEBI MF Regulations) *	
Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c)	Upto 1.00%

\*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.

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

@@ 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.

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:-

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 1 basis point on daily net assets of respective Scheme.

The current expense ratios will be updated on the AMC website <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/total-expense-ratio> 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.

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 (by providing simple example)**

<b>Particulars</b>		<b>Direct Plan</b>
Opening NAV per unit	A	10.000
Gross Scheme Returns @ 8.75%	B	0.875
Expense Ratio @ 1.00 % p.a.	C = (A x 1.00%)	0.100
Closing NAV per unit	D = A + B - C	10.775
Net 1 Year Return	E/A - 1	<b>7.75%</b>

\*Distribution/Brokerage expense is not levied on Direct Plan

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.

#### D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (<https://www.miraeassetmf.co.in/>) or may call at '1800 2090 777' or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Exit	<ul style="list-style-type: none"> <li>• <b>For investors transacting directly with the AMC:</b> No Exit load will be levied on redemptions made by Market Maker / Large Investors directly with the AMC.</li> <li>• <b>For investors transacting on the exchange:</b> Not Applicable.</li> </ul>

Investors other than Market Makers can redeem units directly with the Fund for less than Creation Unit size at approximately indicative NAV based prices (along with applicable charges and execution variations) during the Ongoing Offer for units without any exit load if:

- Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
- No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
- Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

Such instances shall be tracked by the AMC on an ongoing basis and in case if any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund.

For any change in exit load, AMC will issue an addendum and display it on the website/Investor Service Centres.

The Mutual Fund may charge exit load within the stipulated limit of 5% and without any discrimination to any specific group. The Repurchase Price however, will not be lower than 95% of the NAV.

The Trustee reserves the right to modify/alter the load structure and may decide to charge 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:

- 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 and on the website of the AMC.
- 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.

- 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.
- 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.

## Section II

### I. Introduction

#### A. **Definitions/interpretation**

Please refer the definitions/interpretation as disclosed under:

<https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

#### B. **Risk factors**

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

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal
- As the price / value / interest 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.

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

##### ▪ **Risk Factors associated with Exchange Traded Schemes**

The Scheme is subject to the specific risks that may adversely affect the Scheme's NAV, return and / or ability to meet its investment objective. The specific risk factors related to the Scheme include, but are not limited to the following:

##### ▪ **Risk factors associated with investing in Silver and Silver related instruments**

- The NAV of the Units relates directly to the value of the silver held by the Scheme minus the expenses incurred in managing of the scheme including but not limited to management fees, Operational expenses, cost incurred to buy and sell, taxes, other charges, tracking error, tracking difference (Positive or negative) and fluctuations in the price of could adversely affect investment value of the Units. The factors that may affect the price of silver, *inter-alia*, include economic and political developments, changes in interest rates and perceived trends in bullion prices, exchange rates, inflation trends, market movements, etc.
- Actual or perceived disruptions in the processes used to determine the LBMA Silver Price, or lack of confidence in that benchmark, may adversely affect the return on your investment in the scheme (if any).

- Future governmental decisions may have significant impact on the price of silver, which may result in a significant decrease or increase in the value of the net assets and the net asset value.
- Because the ETF holds only silver, an investment in the ETF may be more volatile than an investment in a more broadly diversified portfolio.
- To the extent that demand for silver exceeds the available supply at that time, Market Makers may not be able to readily acquire sufficient amounts of silver necessary for the creation of a Basket. Market speculation in silver could result in increased requests for the issuances. It is possible that Market Makers may be unable to acquire sufficient silver that is acceptable for delivery for the issuance of new Baskets due to a limited then-available supply coupled with a surge in demand for the ETF units. In such circumstances, the AMC may suspend or restrict the issuance of Baskets. Such occurrence may lead to further volatility in Share price and deviations, which may be significant, in the market price of the ETF units relative to the NAV.
- The silver market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to factors such as silver's uses in jewelry, technology, and industrial applications, or cost and production levels in major silver-producing countries such as China, Mexico, and Peru. In particular, supply chain disruptions resulting from the COVID-19 outbreak and investor speculation have significantly contributed to recent price and volume fluctuations.
- The formula for determining NAV of the Units is based on the imported (landed) value of silver. The landed value of silver is computed by multiplying international market price by US dollar value. The value of silver or NAV, therefore will depend upon the conversion value of US dollar into Indian rupee and attracts all the risks attached to such conversion and forex volatility.
- There is no Exchange for physical silver in India. The Scheme may have to buy or sell silver from the open market, which may lead to counter party risks for the Scheme for trading and settlement.
- The returns from physical silver in which the Scheme invests may underperform returns from other securities or asset classes.
- There is a risk that part or all of the Scheme's silver could be lost, damaged or stolen. Access to the Scheme's silver could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the Scheme and consequently on investment / redemption in Units.
- The Scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements. The Scheme has to sell silver only to bullion bankers / traders who are authorized to buy silver. Though, there are adequate numbers of players (commercial or bullion bankers) to whom the Scheme can sell silver, the Scheme may have to resort to distress sale of silver if there is no or low demand for silver to meet its cash needs of redemption or expenses. The distress sale may affect the redemption value of the units adversely. The Trustee, in general interest of the Unit holders of the Scheme offered under this Scheme Information Document and keeping in view of the unforeseen circumstances / unusual market conditions, may limit the total number of Units, which can be redeemed on any Business Day.
- Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Market Maker to arbitrage resulting into wider premium / discount to NAV. Any changes in the regulations relating to import and export of silver or silver jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the Scheme to buy / sell silver against the purchase and redemption requests received.
- The Scheme is not actively managed. The performance of the Scheme may be affected by a general price decline in the Silver prices. The Scheme invests in the physical Silver regardless

- of their investment merit. The AMC does not attempt to take defensive positions in declining markets.
- For the valuation of silver by the Scheme, indirect taxes like customs duty, VAT, etc. would also be considered. Hence, any change in the rates of indirect taxation / applicable taxes would affect the valuation of the Scheme.
  - Silver Exchange Traded Funds (SETFs) are relatively new products and their value could decrease if unanticipated operational or trading problems arise. Mirae Asset Silver ETF, an open ended Exchange Traded Fund, is therefore subject to operational risks.
  - Though this is an open-ended scheme, the Scheme would ordinarily repurchase Units in Creation Unit Size. Thus Unit holding less than Creation Unit Size can only be sold through the secondary market on the Exchange. Further, the price received upon the redemption of Units of the Scheme may be less than the value of the silver represented by them.
  - A day on which valuation on London Bullion Market Association (LBMA) is not available shall not be a Business day and hence NAV for the said day shall not be available to the Investors.
  - Mirae Asset Silver ETF (the Scheme) is a passively managed fund that shall be investing substantial portion of its assets in physical silver and tracking its performance as close as possible to the price of silver. Therefore, irrespective of decline / rise in prices of physical silver, the Scheme shall remain invested in silver and being a passively managed fund, no active calls based on outlook of silver prices will be taken by the Fund.
  - Investments by the Scheme are subject to availability of Silver. If favorable investment opportunities do not exist or opportunities have notably diminished, the scheme may suspend accepting fresh subscriptions.
  - Performance of the Scheme may be affected by political, social and economic developments, which may include changes in government policies, diplomatic conditions, taxation and other policies.
  - ETF units are created to reflect, at any given time, the market price of silver. Because the value of ETFs depends on the price of silver, it is subject to fluctuations similar to those affecting silver prices. The price of silver has fluctuated widely over the past several years. If silver markets continue to be characterized by the wide fluctuations that they have shown in the past several years, the price of the ETF units will change widely and in an unpredictable manner. This exposes your investment in ETF units to potential losses if you need to sell your ETF units at a time when the price of silver is lower than it was when you made your investment in ETF units. Even if you are able to hold ETF units for the mid- or long-term you may never realize a profit, because silver markets have historically experienced extended periods of flat or declining prices. Investors should be aware that while silver is used to preserve wealth by investors around the world, there is no assurance that silver will maintain its long-term value in terms of future purchasing power. In the event the price of silver declines, it is expected the value of an investment in the ETFs to decline proportionately.
  - During the process of creation or redemption of the Scheme in creation unit size, the AMC will source or sell the physical silver from a counterparty. The price at which the silver is bought or sold at will include a spread also, apart from cost price of the silver, taxes and other transaction cost. Thus cost may vary depending on the source from which silver is bought or sold, due to different cost being charged by the counterparty. This varying buying or selling cost will impact the cost at which units are created for the investor or redeemed for the investor. AMC will most likely be passing on all the cost associated with buying and selling of the physical silver, including spread, transaction cost, taxes etc. on to the investor/investors.

This will impact the per unit cost realized by the investor in case of creation or redemption directly with the AMC

- The AMC within the regulatory guidelines and room given in Scheme information document, may use derivative on silver (like Futures) for rebalancing, holding, creation of fresh units or redemption of existing units for the Scheme. The use of derivatives may affect the performance of the scheme and tracking error. It may also impact the value at units are created or redeemed by the scheme.
- If the process of creation and redemption of Baskets encounters any unanticipated difficulties or is materially restricted due to any illiquidity in the market for physical silver, the possibility for arbitrage transactions by Market Makers, intended to keep the price of the ETF units closely linked to the price of silver may not exist and, as a result, the price of the ETF units may fall or otherwise diverge from NAV.

■ **Risks associated with handling, storing and safekeeping of physical silver:**

All physical silver procured must follow the LBMA guidelines as per prescribed SEBI guidelines.

Risk arises when part or all of the silver held by the Fund could be lost, stolen or damaged and access to silver may be restricted due to natural calamities or human actions, loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power. Loss due to aridity, humidity, exposure to light or extremes of temperature. Hence, the Custodian maintains insurance in regard to the business on terms and conditions and the custodian is also responsible for all costs arising from the insurance policies.

The custodian taking delivery on behalf of the AMC needs to ensure the weight, purity, and the source of silver as specified under the LBMA guidelines.

Since this is paramount to the SEBI guidelines the risk arises in violation of same.

Safekeeping of physical silver requires appropriate vaulting space, conforming to the best global standards. The vaulting agents engaged by the custodian needs to ensure the same.

■ **Risks Related to the Custody of Silver**

- The Custodian is responsible for the safekeeping of the silver bullion and also facilitates the transfer of silver bullion into and out of the vault. Although the Custodian is a market maker, clearer and approved weigher under the rules of the LBMA (which sets out good practices for participants in the bullion market), the LBMA is not an official or governmental regulatory body. Accordingly, the ETF is dependent on the Custodian to comply with the best practices of the LBMA and to implement satisfactory internal controls for its silver bullion custody operations in order to keep the silver bullion secure.
- The Custodian is responsible for loss or damage to the silver only under limited circumstances. The Custodian Agreement contemplates that the Custodian will be responsible to the AMC only if it acts with negligence, fraud or in willful default of its obligations under the Custodian Agreement. In addition, the Custodian has agreed to indemnify the Trust for any loss or liability directly

resulting from a breach of the Custodian's representations and warranties in the Custodian Agreement, a failure of the Custodian to act in accordance with the instructions or any physical loss, destruction or damage to the silver held for the Trust's account, except for losses due to nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government or public authority, act of God or a similar cause that is beyond the control of the Custodian for which the Custodian will not be responsible to the AMC. The Custodian's liability to the AMC, if any, will be limited to the value of any silver lost, or the amount of any balance held on an unallocated basis, at the time of the Custodian's negligence, fraud or willful default, or at the time of the act or omission giving rise to the claim for indemnification.

- Neither the Shareholders nor any Market Makers have a right under the Custodian Agreement to assert a claim against the Custodian. Claims under the Custodian Agreement may only be asserted by the AMC.
- The procedures agreed to with the Custodian contemplate that the Custodian must undertake certain tasks in connection with the inspection of silver delivered by Market Makers in exchange for Baskets. The Custodian's inspection includes review of the corresponding bar list to ensure that it accurately describes the weight, fineness, refiner marks and bar number appearing on the silver bars, but does not include any chemical or other tests designed to verify that the silver received does, in fact, meet the purity requirements. Accordingly, such inspection procedures may not prevent the deposit of silver that fails to meet these purity standards. The Custodian will not be responsible or liable to the Trust or to any investor in the event any silver otherwise properly inspected by it does not meet the purity requirements
- The AMC does not insure its silver (Underlying silver of the scheme). The Custodian maintains insurance on such terms and conditions as it considers appropriate in connection with its custodial obligations under the Custodian Agreement and is responsible for all costs, fees and expenses arising from the insurance policy or policies. The AMC is not a beneficiary of any such insurance and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, Shareholders cannot be assured that the Custodian maintains adequate insurance or any insurance with respect to the silver held by the Custodian on behalf of the Trust.
- **Tracking Error Risk:** The Fund Manager would not be able to invest the entire corpus in physical silver due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the underlying index and regulatory restrictions, which may result in Tracking Error with the underlying index. The Scheme's returns may therefore deviate from those of the underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the Scheme. Tracking Difference" is the annualized difference of daily returns between the Index and the NAV of the scheme (difference between fund return and the index return).

Tracking Error and Tracking difference may arise including but not limited to the following reasons:

- Expenditure incurred by the Fund.
- Available funds may not be invested at all times as the Scheme may keep a portion of the funds in cash to meet Redemptions, for corporate actions or otherwise.
- Securities trading may halt temporarily due to circuit filters.
- Corporate actions such as debenture or warrant conversion, rights issuances, mergers, change in constituents etc.
- Rounding-off of the quantity of shares in the underlying index.



- Dividend payout.
- Index providers undertake a periodical review of the scrips that comprise the underlying index and may either drop or include new scrips. In such an event, the Fund will try to reallocate its portfolio but the available investment/reinvestment opportunity may not permit absolute mirroring immediately.

SEBI Regulations (if any) may impose restrictions on the investment and/or divestment activities of the Scheme. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error.

It will be the endeavor of the fund manager to keep the tracking error as low as possible. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities, and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, etc. or in abnormal market circumstances may result in tracking error. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

#### **Risk associated with Lending of physical Silver**

- **Market Trading Risks**

- Although Units of Scheme described in this Scheme Information Document are listed / to be listed on the Exchange, there can be no assurance that an active secondary market will be developed or be maintained.
- Trading in Units of the Scheme on the Exchange may be halted because of market conditions or for reasons that in view of the Exchange Authorities or SEBI, trading in Units of the Scheme is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to the Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of Units of the Scheme will continue to be met or will remain unchanged.
- Any changes in trading regulations by the Stock Exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium / discount to NAV. The Units of the Scheme may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of Scheme's holdings. The trading prices of Units of the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Scheme.
- The Units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund during liquidity window depends upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.
- Governments, central banks and related institutions worldwide, own a significant portion of the aggregate world silver holdings. If one or more of these institutions decides to sell in amounts large enough to cause a decline in world silver prices, the price of Units of the Scheme will be adversely affected.
- The Scheme provides for the creation and redemption of Units in Creation Unit Size directly with the Fund and therefore, it is expected that large discounts or premiums to the NAV of the Units of the Scheme will not sustain due to arbitrage opportunity available.
- Conversion of underlying physical silver into the Units of the Scheme may attract capital gain tax depending on acquisition cost and holding period.

## 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**

- 1) Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
- 2) Security comprises of segregated portfolio may not realise any value.
- 3) 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.

#### **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.

### **C. Risk mitigation strategies**

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

**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.

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

## **II. Information about the scheme:**

### **A. Where will the scheme invest**

#### **Equity and Equity Related Instruments**

The corpus of the Scheme shall be invested in accordance with the investment objective as follows:

- Silver bullion - fineness (or purity) of 999 parts per 1,000 (99.9%) or higher. Investments in Silver bullion will be as per the limits specified in the asset allocation table as mentioned in Section II C Asset Allocation
- Investments in silver related instruments (including derivative instruments related to silver) will be made as and when SEBI permits mutual funds to invest in silver related instruments.

The Scheme also may engage in silver lending, and / or deposit silver with banks in return for fees as and when permitted by SEBI.

#### **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. "money market instruments" includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time; subject to regulatory approvals where applicable.
- f. Certificate of Deposits (CDs).
- g. Commercial Paper (CPs). A part of the net assets may be invested in the Collateralized Borrowing & Lending Obligations (CBLO) or in an alternative investment as may be provided by RBI to meet the liquidity requirements.

- h. The non-convertible part of convertible securities.
- i. Any other domestic fixed income securities as permitted by SEBI / RBI from time to time subject to necessary approvals from SEBI and RBI, if any.
- j. 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.

**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 as on May 31, 2024 are as follows:

<b>Instrument</b>	<b>Maturity</b>	<b>Tenure</b>	<b>Yield</b>	<b>Liquidity</b>
TREPS / Repo	Short	Overnight	6.76	Very High
CP / CD / T Bills	Short	3 months CP*	7.65	High
		3 months CD	7.15	
		1 Year CP*	8.12	

		1 Year CD	7.71	
Central Government securities	Low to High	10 years	6.98	Medium

Source: Bloomberg \*Data is for NBFC.

## **INTRODUCTION TO SILVER EXCHANGE TRADED FUND**

### **Silver as an Asset Class**

Silver may be used as an investment like other precious metals. It has been widely regarded as a form of money and store of value for centuries.

### **Benefits of Investing in Silver**

#### **Silver and Inflation**

The value of silver, in terms of the real goods and services that it can buy, has remained largely stable for many years. Silver's real price has endured a century characterized by sweeping change, inflation and repeated geopolitical shocks. Despite all challenges, it has retained its purchasing power.

Investors in silver can point to a growing body of research supporting silver's reputation as a protector of wealth against the ravages of inflation. Market cycles come and go, but extensive research from a range of economists has demonstrated that, over the long term, through both inflationary and deflationary periods, silver has consistently maintained its purchasing power.

#### **Silver and Portfolio Diversification**

Asset allocation is an important aspect of any investment strategy. By balancing asset classes of different correlations, investors hope to maximize returns and minimize risk. To counter adverse movements in a particular asset or asset class, many investors now strive to achieve more effective diversification in their portfolios by incorporating alternative investments such as commodities.

While silver has shown strong returns over recent years, its most valuable contribution to a portfolio lies in the fact that it is not correlated with most other assets. This is because the silver price is not driven by the same factors that drive the performance of other assets.

Silver offers enhanced diversification opportunities relative to many alternative assets. Independent studies have shown that while alternative assets and traditional diversifiers often fail during times of market stress or instability, even a small allocation to silver may significantly improve the consistency of portfolio performance during both stable and unstable financial periods.

#### **Silver and Risk**

Financial instruments usually carry three main types of risk

- **Credit risk:** the risk that a debtor will not pay
- **Liquidity risk:** the risk that the asset cannot be sold as a buyer cannot be found.
- **Market risk:** the risk that the price will fall due to a change in market conditions.

Silver is unique in that it does not carry a credit risk. Silver is no one's liability. There is no risk that a coupon or a redemption payment will not be made, as for a bond, or that a company will go out of business, as for an equity. And unlike a currency, the value of silver cannot be affected by the economic policies of the issuing country or undermined by inflation in that country. At the same time, 24-hour trading, a wide range of buyers - from the jewellery sector to financial institutions to manufacturers of industrial products - and the wide range of investment channels available, including coins and bars, jewellery, futures and options, exchange-traded funds, certificates and structured products, make liquidity risk very low. The silver market is deep and liquid, as demonstrated by the fact that silver can be traded at narrower spreads and more rapidly than many competing diversifiers or even mainstream investments.

Silver is of course subject to market risk and there is a risk that price will fall due to change in market conditions. But many of the downside risks associated with the silver price are very different to the risks associated with other assets, a factor which enhances silver's attractiveness as a portfolio diversifier.

### **Exchange-traded silver**

#### **Silver-backed securities**

Silver is traded in the form of securities on stock exchanges in Australia, France, Hong Kong, Japan, Mexico, Singapore, South Africa, Switzerland, Turkey, the United Kingdom and the United States. By design, these forms of securitized silver investment and all regulated financial products, generally referred to as Exchange Traded Commodities or Exchange Traded Funds (ETFs) are expected to track the silver price almost perfectly. Unlike derivative products, the securities are 100% backed by physical silver held mainly in allocated form.

#### **Benefits of Silver ETFs**

- Can be easily bought / sold like any other stock on the exchange through terminals spread across the country.
- Can be bought / sold anytime during market hours at prices that are expected to be close to actual NAV of the Scheme. Thus, investor invests at real-time prices as opposed to end of day prices.
- No separate form filling for buying / selling units. It is just a phone call to your broker or a click on the net.
- Ability to put limit orders.
- Minimum investment for a Silver ETF is one unit.
- Protects long-term investors from the inflows and outflows of short-term investors.
- Helps in increasing liquidity of underlying silver market.
- An investor can get a consolidated view of his investments without adding too many different account statements, as the units will be in demat form.

#### **Uses of Silver ETFs**

- No need to hold physical silver

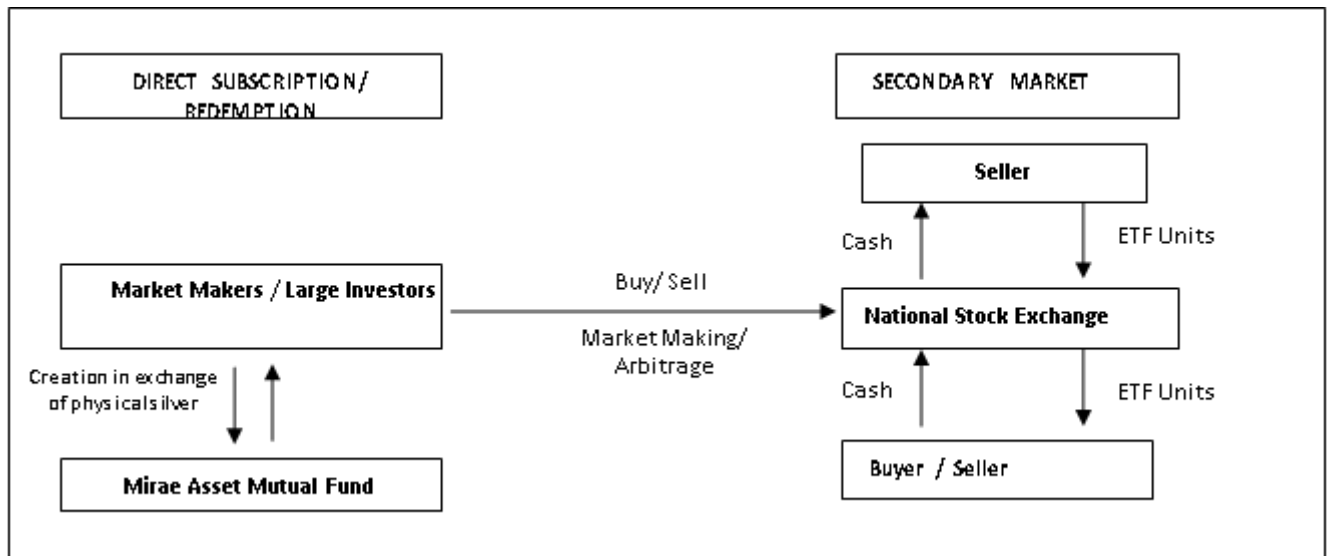


- Units are issued in demat form, thereby reducing risk of holding physical silver.
- Allows easy asset allocation for Large Investor
- Investors with a shorter term horizon have liquidity due to ability to trade during the day and expected to have quotes near NAV during the course of trading day on an exchange where the units of the Silver ETF are listed.

**Comparison of Silver ETF with Physical Silver is given in the illustrative chart below:**

Sr. No.	Parameter	Jeweller	Bank	Silver ETF
1	How Silver is held	Physical (Bars / Coins)	Physical (Bars / Coins)	Dematerialized (Electronic Form)
2	Pricing	Differs from one to another. Neither transparent nor standard.	Differs from bank to bank. Not Standard.	Linked to International Silver Prices and very transparent
3	Buying Premium above silver price	Likely to be more	Likely to be more	Likely to be less
4	Making Charges	Charges are incurred	Charges are incurred	No Charges are incurred
5	Impurity Risk	High	Nil	Nil
6	Storage Requirement	Locker / Safe	Locker / Safe	Demat Account
7	Security of Asset	Investor is responsible	Investor is responsible	Fund House takes the responsibility
8	Resale	Conditional and uneconomical	Banks do not buy back	At Secondary Market Prices
9	Convenience in Buying / Selling	Less convenient, as silver needs to be moved physically	Less convenient, as silver needs to be moved physically	More Convenient, as held in electronic form under the demat account
10	Quantity to Buy / Sell	Available in standard denomination	Available in standard denomination	Minimum is ½ or 1 gram according to the fund
11	Bid Ask Spread	Very High	Can't Sell Back	Very Low
12	Risk of Theft	Yes, possible	Yes, possible	No, Not possible

An illustration of the working of Silver ETF is given below:



#### A. Issue of Units

1. As the Units of the Scheme will be listed on the NSE and BSE, investors can buy or sell Units of the Scheme from the secondary market on the Stock Exchange(s). The minimum number of Units that can be bought or sold on the Stock Exchange(s) is 1 (one) Unit.
2. Alternatively, Market Makers and Large Investors will be able to directly buy / sell Units of the Scheme from the Fund in 'Creation Unit' size, as defined below.

'Creation Unit' is a fixed number of Units of the Scheme, which represents/exchanged for Portfolio Deposit (which would consist of physical Silver of defined purity and quantity and / or Cash Component) and / or Cash Component. The facility of creating / redeeming Units in Creation Unit Size will be available with the Market Makers only. Each Creation Unit consists of 30,000 Units of the Scheme. Each Creation Unit of the Scheme will be equivalent to 30 kg of silver plus cash component. *During buying or selling, for a concerned transaction, In case of any variation in the weight of the silver bar (away from 30 kg), same shall be adjusted in the cash component i.e. higher weight will reduce cash component and lower weight will increase cash component for the concerned investor.*

**Investors are also requested to note, that any Subscription transaction through Portfolio Deposit (i.e. physical silver) will not be accepted from any Investor (Including Large Investors) other than the designated Market Makers ; however, AMC reserves the right to allow physical deposit for other investors also in future, in case of liquidity issues in the silver market or on a case to case basis.**

#### I. Creation of Units of the Scheme in Creation Unit Size:

##### A) Market Makers:

1. Market Makers may submit an application for purchase of Units of the Scheme in Creation Unit Size to the AMC on any Business Day, within the applicable cut-off timing for NAV applicability.

2. By submitting the application, the Market Makers agree to transfer (deposit) the Portfolio Deposit (in form of cash or physical silver) and the Cash Component (if any) in the Scheme's account. The physical deposit of silver and Cash Component is explained below. The day on which the application is submitted is referred to as the 'T' day.
3. In case of portfolio deposit in the form of silver, Market Makers are required to transfer (deposit) the Portfolio Deposit (i.e. physical silver) to the Custodian, while the balance Cash Component, if any has to be paid to the AMC only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT) or Funds Transfer Letter / Transfer Cheque of a bank where the Scheme has a collection account.
4. Any Application will be treated as a complete transaction for consideration where the Application along with the requisite portfolio deposit to AMC is received before cut-off. Here the AMC will rely on the conformation by the Vaulting Agent and that time will be essence for the purpose of transaction.
5. The total amount of silver and / or equivalent Cash Component if any required for creation of Units in Creation Unit Size will be based on the prorata amount of the NAV of the Scheme represented by the Creation Units (i.e. 30,000 Units) being created determined on the day the request to create is placed by the Market Makers. As per the agreement with Custodian for physical silver, Custodian will accept physical silver only if the silver is following the Good Delivery norms as specified by LBMA which are as under:
  - (a) Original Assay Certificate; (b) Bar list from the refiner; (c) relevant shipping documents (airway bill and customs invoice) establishing that the silver has been shipped directly from a Good London Refiner using an accredited international shipping company on a door to door basis through one of the accredited agencies; and (d) such other documents that the Custodian may require from time to time so as to adequately indicate the purity of the Silver deposited with it.

The Custodian will ensure that all Silver deposited with it is accompanied by the above documents and that the Silver bars indicate that the fineness is 999 or above.

6. On having credited the Scheme's account with the silver deposits in the physical form, the custodian will confirm to the AMC of vaulting of silver and in turn AMC instructs the registrar the total number of units to be created and upon realization of the Cash Component.
7. In case the Market Makers doesn't opt for physical deposit of silver (portfolio component), he shall deposit the equivalent cash and cash component for the creation of ETF units in creation unit size. The value of units for subscription and redemption will be dependent on the value of the silver procured, transaction cost, taxes etc. borne for the same.
8. Applicable NAV for Cash Subscription/Redemption in Creation unit size - Intra-day NAV shall be applicable in case of subscription/redemption of units directly with the Fund. Applicable NAV for Basket Subscription/Redemption - In case of creation of units by way of deposit of portfolio deposit and cash component or redemption of units by way of withdrawal

of portfolio basket and cash component, the applicable NAV will be based on the value of the portfolio deposit and cash component as at the end of the previous day.

9. The Registrar & Transfer Agent will then allocate the Units in proportion of the amount received from the Market Makers and will credit the Units to the demat account of the Market Makers.

**B) Large Investors:**

1. Large Investors may submit an application for purchase of Units of the Scheme for greater than Rs. 25 crores to the AMC on any Business Day, within the applicable cut-off timing for NAV applicability.
2. Large Investors can apply to the AMC at NAV based prices by payment of requisite cash as determined by AMC only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT) or Funds Transfer Letter / Transfer Cheque of a bank where the Scheme has a collection account. The AMC will not accept Portfolio Deposit (i.e. physical silver) from the Large Investors.
3. On receipt of confirmation from the Custodian of crediting the Scheme's account with the silver deposits purchased by the AMC on behalf of the Large Investor, AMC will instruct the Registrar & Transfer Agent the total number of Units to be created and upon realization of the requisite cash.
4. Applicable NAV for Cash Subscription/Redemption in Creation unit size - Intra-day NAV shall be applicable in case of subscription/redemption of units directly with the Fund. Applicable NAV for Basket Subscription/Redemption - In case of creation of units by way of deposit of portfolio deposit and cash component or redemption of units by way of withdrawal of portfolio basket and cash component, the applicable NAV will be based on the value of the portfolio deposit and cash component as at the end of the previous day.

The role of the AMC is of a facilitator to the Market Makers / Large Investors to purchase / sell Silver on their behalf for the purpose of creating / redeeming Units of the Scheme. The Portfolio Deposit and / or Cash Component for the Scheme may change from time to time due to change in NAV.

The Scheme shall meet its expenses out of the cash held and in case the cash is insufficient to meet expenses, the Scheme may be required to sell the Portfolio Deposit to meet the Scheme expenses resulting into Portfolio Deposit being lower than the Units allotted under the Scheme.

The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.

**Portfolio Deposit**

Portfolio Deposit will be in predefined quantity (i.e. weighing 30 Kg) and in multiples of 30 Kg and purity (fineness) of 999 parts per 1,000 (99.9%) of physical silver. The quantity and purity (fineness) of physical silver will be defined and announced by the AMC from time to time. *During*

*buying or selling, for a concerned transaction, In case of any variation in the weight of the silver bar (away from 30 kg), same shall be adjusted in the cash component i.e. higher weight will reduce cash component and lower weight will increase cash component for the concerned investor.*

### **Cash Component (Creating in Creation Unit Size)**

Cash Component represents the difference between the Applicable Net Asset Value of Creation Unit and the market value of physical Silver in domestic market. This difference will represent accrued interest, income earned by the Scheme. In addition the Cash Component will include accrued annual charges including management fees and residual cash in the Scheme. In addition the Cash Component will include transaction cost as charged by the Custodian / DP and other incidental expenses, if any and will include the difference between the purchase price and closing price of Portfolio Deposit for creation of Units of the Scheme in Creation Unit Size. The Cash Component will vary from time to time and will be decided and announced by the AMC.

## **II. Redeeming of Units of the Scheme in Creation Unit Size:**

1. The procedure by which an Market Maker/ Large Investor can redeem Units of the Scheme will mirror the procedure for the creation of Units of the Scheme.
2. Market Makers may make a redemption request to the AMC for redemption of Units of the Scheme in Creation Unit Size on any Business Day in a duly filled redemption form. Large investors can redeem for amount greater than Rs. 25 crores.
3. By placing the redemption request, the Market Makers / Large Investors agree to transfer the requisite number of Units of the Scheme to the Scheme's DP accounts on T+0 business days before the applicable cut-off.
4. The request for redemption by Market Makers / Large Investors needs to be enclosed with the delivery order used in the depository system duly acknowledged by the DP with whom the Market Makers / Large Investor has a depository account stating the number of Units of the Scheme transferred to the Scheme's DP account.
5. The Fund may allow cash Redemption of Units of the Scheme in Creation Unit size by Market Makers and for amount greater than Rs. 25 crores for large investors. Such Investors shall make Redemption request to the Fund/AMC where upon the Fund/AMC will arrange to sell physical silver on behalf of the Investor. *In case of liquidity issues, where the AMC is not able to sell the silver in the market, the Investor (AP or Large investor) who has applied for "cash redemption", will instead be treated as an investor who has applied for "in-kind" redemption and AMC will do the in-kind redemption instead. Though it will be AMC's objective to ensure cash redemption for AP and large investors (if applied for) to the best extent possible.* Accordingly, the sale proceeds of physical silver after adjusting necessary charges/costs and prevailing Exit Load will be remitted to the Investor including remit / collect the Cash Component after adjusting transaction handling charges, other applicable charges and the difference between the applicable NAV and closing price of silver.
6. In case of in-kind redemption, after successful verification of the redemption request, the AMC will instruct the Custodian to transfer the Portfolio Deposit of physical silver to the custody

account of Market Makers / Large Investors and remit / collect the Cash Component after adjusting transaction handling charges, other applicable charges which may also include insurance + logistics cost and the difference between the applicable NAV and closing price of silver. Please note if the Large investor do not possess custody account which will enable vault to vault transfer in same facility, no – in kind redemption will be available for such large investor.

7. The expenses associated with taking the physical delivery of silver will have to be borne by Market Makers / Large Investors. The delivery of physical silver to Market Makers / Large Investors will be made at the location of the Custodian within the jurisdiction of Mumbai.
8. Applicable NAV for Cash Subscription/Redemption in Creation unit size - Intra-day NAV shall be applicable in case of subscription/redemption of units directly with the Fund. Applicable NAV for Basket Subscription/Redemption - In case of creation of units by way of deposit of portfolio deposit and cash component or redemption of units by way of withdrawal of portfolio basket and cash component, the applicable NAV will be based on the value of the portfolio deposit and cash component as at the end of the previous day.
9. Redemption proceeds will be sent to Market Makers / Large Investors within 3 Business Days of the date of redemption subject to confirmation with the depository records of the Scheme's DP account.
10. In case of redemption, AMC may not be able to find the buyer for the silver, in such scenarios the AMC will take the route of in kind redemption. The AMC will instruct the Custodian to transfer the Portfolio Deposit of physical silver to the custody account of Market Makers / Large Investors and remit / collect the Cash Component after adjusting transaction handling charges, other applicable charges and the difference between the applicable NAV and closing price of silver. The expenses associated with taking the physical delivery of silver will have to be borne by Market Makers / Large Investors. The delivery of physical silver to Market Makers / Large Investors will be made at the location of the Custodian within the jurisdiction of Mumbai.

**Cash Component (Redemption in Creation Unit Size):** Cash Component represents the difference between the Applicable Net Asset Value of a Creation Unit and the market value of the physical Silver. This difference will represent accrued interest, income earned by the Scheme, accrued annual charges including management fees and residual cash in the Scheme. Any transaction cost charged by the Custodian / DP and other incidental expenses, if any and will include the difference between the sale price and closing price of Portfolio Deposit for redemption of Units of the Scheme in Creation Unit Size. The Cash Component for redemption will vary from time to time and will be decided and announced by the AMC to the Market Makers. The Cash Component will also include exit load, if applicable. The exit load will be declared by the AMC from time to time.

**Creation / Redemption of Units of the Scheme facility (for Cash Directly):** Mirae Asset Mutual Fund shall allow only cash purchases of Units in Creation Unit Size by Large Investors. Such investors shall make creation request to the Fund where upon the receipt of request, the Scheme will arrange to purchase the underlying physical Silver. The role of the AMC is of a facilitator to the Large Investors to purchase Silver on their behalf for the purpose of creating Units of the Scheme.

Also, the Fund provides for cash redemption of Units of the Scheme in Creation Unit Size by Market Makers / Large Investors. On receipt of such redemption requests the Fund will arrange to sell physical Silver on behalf of the Market Makers / Large Investors. Accordingly the sale proceeds of physical Silver after adjusting necessary charges / costs and exit load, if any will be remitted to the Market Makers / Large Investors.

The creation / redemption request for cash can be made to the Fund in a duly filled application / transaction form.

Application / Transaction form for Creation / Redemption for Units in 'Creation Unit Size' can be obtained from any of the ISCs / Official Points of Acceptance of the AMC.

The minimum number of Units that can be created / redeemed for Cash directly with the Fund will be announced by the Fund from time to time. In the event of change in 'Creation Unit Size', the Fund shall provide Large Investors a one-time exit window to exercise the redemption (repurchase) of their existing holding of Units of the Scheme created directly with the Fund in the prevailing Creation Unit Size without payment of exit load. Any such change shall be announced by the AMC by way of a notice published in the newspapers. On closure of the exit window, redemption (repurchase) made directly with the Fund shall be in the new Creation Unit Size.

**Example of computation of Cash Component for Creation / Redemption of Units in Creation Unit Size:**

As explained above, the Creation Unit is made up of 2 components i.e. Portfolio Deposit and Cash Component. The Portfolio Deposit will be determined by the Fund. The Portfolio Deposit will be physical Silver and will be for 30 kg and in multiples of 30 kg. *During buying or selling, for a concerned transaction, In case of any variation in the weight of the silver bar (away from 30 kg), same shall be adjusted in the cash component i.e. higher weight will reduce cash component and lower weight will increase cash component for the concerned investor.* The value of Portfolio Deposit will change due to changes in the prices during the day.

The Cash Component will be arrived in the following manner:

Number of Units comprising one Creation Unit	A	30,000
NAV per Unit	B	Rs.65.10
Value of one Creation Unit (including cash component)	C	Rs. 19,53,000
Closing price per gram of Silver	D	Rs. 63
Weight of silver sourced for this transaction	E	30.80 kg
Value of Portfolio Deposit (physical silver of 30.8 kg)	F	Rs. 19,40,400
Other charges applicable for this transaction (including depository and other applicable transaction charges and taxes)	G	1,180
Cash Component (Applicable for this transaction) # (C-F+G)	H	Rs.13,780

The above is just an example to illustrate the calculation of Cash Component.

# Cash Component will vary depending upon the accrued interest, income earned by the Scheme, the actual charges incurred like Custodial Charges and other incidental charges for creating Units and will include the difference between the purchase / sale price and closing price of Portfolio Deposit for creation / redemption of Units in Creation Unit Size.

The AMC shall disclose on a daily basis the Portfolio Deposit and Cash Component for subscription and redemption of Units in Creation Unit Size on our website [www.miraeasset.com](http://www.miraeasset.com) and the same would be applicable for subscribing and redeeming Units in Creation Unit Size for that Business Day only.

### **Buying / Selling through the Stock Exchange**

Buying / Selling Units on the Stock Exchange is just like buying / selling any other normal listed securities. If an investor has bought Units, an investor has to pay the purchase amount to the broker / sub-broker such that the amount paid is realized before the funds pay-in day of the settlement cycle on the Exchange. If an investor has sold Units, an investor has to deliver the Units to the broker / sub-broker before the securities pay-in day of the settlement cycle on the Exchange.

The Units (in case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the payout day of the settlement cycle on the Exchange. The trading member would pay the money or deliver the Units to the investor in accordance with time prescribed by the Stock Exchange regulations.

If an investor has bought Units, he should give standing instructions for 'Delivery-In' to his / her DP for accepting Units in his / her beneficiary account. An investor should give the details of his / her beneficiary account and the DP-ID of his / her DP to his / her trading member. The trading member will transfer the Units directly to his / her beneficiary account on receipt of the same from Exchange's clearing corporation.

An investor who has sold Units should instruct his / her Depository Participant (DP) to give 'Delivery Out' instructions to transfer the Units from his / her account to the trading member account through whom he / she have sold the Units. The details of the pool A/c of his / her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the delivery out instructions given by him / her to the DP. The instructions should be given will before the prescribed securities pay-in day. SEBI has advised that the delivery out instructions should be given at least 24 hours prior to the cut off time for the prescribed securities pay in to avoid any rejection of instructions due to data entry errors, network problems, etc.

The above procedure relating to purchase and sale of Units by different types of investors / Market Makers in the Mirae Asset Silver Exchange Traded Fund is tabulated for easy reference.



## B. What are the investment restrictions?

The following investment restrictions are applicable to the Scheme:

- The corpus of the Scheme shall be invested only in silver or silver related instruments in accordance with its investment objective, except to the extent necessary to meet the liquidity requirements for honoring repurchases or redemptions, as disclosed in this Scheme Information Document.
- Every mutual fund shall buy and sell silver on the basis of deliveries and shall in all cases of purchases, take delivery of silver and in all cases of sale, deliver the silver: Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange as and when permitted by SEBI, subject to the framework specified by SEBI.
- The Scheme shall invest in silver of 0.999 fineness and above.
- Participation of mutual funds in ETCs shall be subject to the following:

The Fund may participate in ETCs in India, except in commodity derivatives on 'Sensitive Commodities' as per clause 3.3.2.3 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

- i. ETCs having Silver as the underlying, shall also be considered as 'silver related instrument' for Silver Exchange Traded Funds (Silver ETFs).
  - ii. The Scheme shall not invest in physical goods except in 'silver through Silver ETFs. However, as the Scheme participating in ETCs may hold the underlying goods in case of physical settlement of contracts, in that case the Fund shall dispose of such goods from the books of the Scheme, at the earliest, not exceeding the timeline prescribed below: a) For Silver and Silver related Instruments: - 180 days from the date of holding of physical goods.
  - iii. The scheme may participate in the ETCs as 'client' and shall be subject to all the rules, regulations and instructions, position limit norms, etc. as may be applicable to clients, issued by SEBI and Exchanges from time to time. The position limits at mutual fund level be as applicable to 'Trading Members'.
  - iv. The cumulative gross exposure to silver, Money market instruments including Tri Party REPO/ debt securities, Instruments and/or units of debt/liquid schemes of domestic Mutual Funds will not exceed 100% of the net assets of the scheme.
  - v. The Scheme shall not have net short positions in ETCs on any particular good, considering its positions in physical goods as well as ETCs, at any point of time.
  - vi. The exposure to ETCs having silver as the underlying shall not exceed 10% of net asset value of the scheme. However, the above limit of 10% shall not be applicable to Silver ETFs where the intention is to take delivery of the physical silver and not to roll over its position to next contract cycle.
  - vii. Before investing in ETCs having silver as the underlying, mutual funds shall put in place a written policy with regard to such investment with due approval from the Board of the AMC and the Trustees. The policy shall be reviewed by the Board of AMC and Trustees at least once a year.
- 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.
- viii. 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.
- ix. 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.
- x. 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.

Pursuant to Clause 12.30 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, ISTs may be allowed in the following scenarios:

- i. for meeting liquidity requirement in a scheme in case of unanticipated redemption pressure
- ii. for Duration/ Issuer/ Sector/ Group rebalancing

No IST of a security shall be done, if there is negative news or rumors in the mainstream media or an alert is generated about the security, based on internal credit risk assessment. The Scheme shall comply with the guidelines for inter-scheme transfers as specified under clause 12.30 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

- xi. The scheme shall not make any investment in any fund of funds scheme.
- xii. Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose.
- xiii. 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 5% of the net assets.
- xiv. 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.

- xv. 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 Clause 12.16.1.8 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

Pursuant to Clause 12.16 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023:

- 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.
- In accordance with clause 12.16.1.9 SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.

The Trustee / AMC may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of

permitted investments for mutual funds to achieve its respective investment objective. The Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations.

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

### **C. Fundamental Attributes**

Following are the Fundamental Attributes of the scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated May 19, 2023:

(i) **Type of a scheme**

Open ended – Exchange Traded Fund

An open ended scheme replicating/tracking domestic price of silver.

**Investment Objective:** The investment objective of the scheme is to generate returns that are in line with the performance of physical silver in domestic prices, subject to tracking error. The Scheme does not guarantee or assure any returns. There is no assurance or guarantee that the investment objective of the scheme would be achieved.

- **Main Objective - Growth**
- **Investment pattern**

**Asset allocation:**

<b>Instruments</b>	<b>Indicative allocations (% of total assets)</b>	
	<b>Minimum</b>	<b>Maximum</b>
Silver*	95%	100%
Money market instruments including Tri Party REPO/ debt securities, Instruments and/or units of debt/liquid schemes of domestic Mutual Funds.	0	5%

\*includes physical silver and other silver related instruments^ which may be permitted by Regulator from time to time. Exchange Traded Commodity Derivatives (ETCDs) having silver as the underlying shall be considered as ‘silver related instrument’ for Silver ETF.

**Rebalancing of deviation due to short term defensive consideration**

The Scheme, out of the funds allocated shall primarily invest in Silver (includes physical Silver and other Silver related instruments which may be permitted by Regulator from time to time) and shall invest in debt and money market securities, only to the extent necessary to meet the liquidity requirements for honoring repurchase / redemptions / expenses. In view of the nature of the Scheme, the asset allocation pattern as indicated above may not change, except in line with the changes made in SEBI (MF) Regulations, from time to time.

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. As per Clause 1.14.1.2 of SEBI Master Circular dated May 19, 2023, such changes in the investment pattern will be for short term and for defensive consideration only. The Scheme shall rebalance the portfolio in case of any deviation to the asset allocation. Such rebalancing shall be done within 7 days from the date of occurrence of deviation.

(ii) **Terms of Issue**

- **Listing:**

The Units of the Scheme are listed on the Capital Market Segment of the NSE and BSE.

The AMC engages Market Makers for creating liquidity for the Units of the Scheme on the Stock Exchange(s) so that investors other than Market Makers and Large Investors are able to buy or redeem Units on the Stock Exchange(s) using the services of a stock broker.

The Mutual Fund may at its sole discretion list the Units of the Scheme on any other recognized Stock Exchange(s) at a later date.

The AMC/Trustee reserves the right to delist the Units of the Scheme from a particular stock exchange provided the Units are listed on at least one stock exchange.

An investor can buy/sell Units on a continuous basis on the NSE and BSE on which the Units are listed during the trading hours like any other publicly traded stock at prices which may be close to the NAV of the Scheme. The price of the Units in the market will depend on demand and supply at that point of time. There is no minimum investment, although Units are purchased in round lots of 1.

**Redemption: Redemption Price**

- **Aggregate fees and expenses charged to the scheme:** For detailed fees and expenses charged to the scheme please refer to section 'Fees and Expenses'.
- **Any safety net or guarantee provided:** There is no assurance OR guarantee of returns.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated May 19, 2023 the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well

as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

**D. Index methodology: N.A**

**E. Principles of incentive structure for market makers**

The incentive structure shall be based on the performance of the MM. It shall have recourse to factors such as trading volumes, bid-ask spread in units of ETFs and such other information as may be required to formalize performance-based incentive structure or a fixed monthly compensation at the discretion of the AMC and is to be decided between the AMC and the Market Maker. The incentives, if any, shall be charged to the respective scheme within the maximum permissible limit of TER. A transparent incentive structure for the MMs shall be put in place, and the incentives shall, *inter alia*, be linked to performance of the MMs in terms of generating liquidity in units of ETFs.

**G. Other Scheme Specific Disclosures:**

<p>Listing and transfer of units</p>	<p>The Units of the Scheme are listed on the Capital Market Segment of the NSE and BSE.</p> <p>The AMC engages Market Makers for creating liquidity for the Units of the Scheme on the Stock Exchange(s) so that investors other than Market Makers and Large Investors are able to buy or redeem Units on the Stock Exchange(s) using the services of a stock broker.</p> <p>The Mutual Fund may at its sole discretion list the Units of the Scheme on any other recognized Stock Exchange(s) at a later date. The AMC/Trustee reserves the right to delist the Units of the Scheme from a particular stock exchange provided the Units are listed on at least one stock exchange.</p> <p>An investor can buy/sell Units on a continuous basis on the NSE and BSE on which the Units are listed during the trading hours like any other publicly traded stock at prices which may be close to the NAV of the Scheme. The price of the Units in the market will depend on demand and supply at that point of time. There is no minimum investment, although Units are purchased in round lots of 1.</p> <p>Units held in Demat form are transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding Units and having a Demat</p>
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	<p>Account. The delivery instructions for transfer of Units will have to be lodged with the DP in 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 mode. Further, for the procedure of release of lien, the investors shall contact their respective Depository.</p> <p>However, if a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence.</p> <p>Please refer SAI for details on transmission, nomination, lien, pledge, duration of the Scheme and Mode of Holding.</p>
Dematerialization of units	<p>The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the Scheme will be required to have a beneficiary account with a Depository Participant (DP) of NSDL/ CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units directly from the fund in Creation Unit Size.</p> <p>The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.</p>
Dividend Policy (IDCW)	Not Applicable
Allotment	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of e-mail and/or SMS within 5 Business Days of receipt of valid application to the Unit holders registered e-mail address and/or mobile number.</p> <p>As the units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form, the statement of holding of the Unitholder i.e. beneficiary account holder will be sent by the respective DPs periodically.</p>
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	<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> </ul>

	<ul style="list-style-type: none"> <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</li> </ul>
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	<p>wherever applicable they are in conformity with SEBI Regulations/RBI, etc.</p> <p><b>Note: 1.</b> 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</li> </ul>

	<p>from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.</p> <p>Subject to the Regulations, any application for subscription of Units may be accepted or rejected if found incomplete or due to unavailability of underlying securities, etc. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Scheme's Unit capital is not in the general interest of the 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>
How to apply and other details	<p>Application form and Key Information Memorandum may be obtained from Official Points of Acceptance (OPAs) / Investor Service Centres (ISCs) of the AMC or RTA or Distributors or can be downloaded from our website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>.</p> <p>The list of the OPA / ISC are available on our website as well.</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> <p><b>Registrar &amp; Transfer Agent:</b>  <b>KFin Technologies Limited (Formerly known as “Karvy Fintech Private Limited”)</b></p> <p>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 and KFin Technologies Limited. Details of which are furnished on back cover page of this document.</p> <p>Please refer the AMC website at the following link for the list of official points of acceptance, collecting banker details etc.: <a href="https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data">https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data</a></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> A Unit holder may purchase Units of the Scheme through the Stock Exchange infrastructure. Investors can hold units only in dematerialized form.</p> <p><b>MF Utility (MFU):</b> A unitholder may purchase units of the Plan(s) under the Scheme through MFU.</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> <p>Investors to note that it is mandatory to mention the bank account numbers in the applications/requests for redemption.</p> <p>Please refer to the SAI and application form for the instructions.</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.	All units can be reissued without any limit by the Scheme.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	As the units of the Scheme are mandatorily to be held in demat mode, the same are freely transferable. Further, the unit holders will have to approach their DP for transfer,

transmission, pledge related requests etc. which shall be done by the DP in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and the Regulations thereunder.

**RIGHT TO RESTRICT REDEMPTION AND / OR SUSPEND REDEMPTION OF THE UNITS:**

The Fund at its sole discretion reserves the right to restrict Redemption (including switchout) of the Units (including Plan /Option) of the Scheme of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on 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 to the Redemption / switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs).

The Trustee / AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme of the Fund may be imposed are as follows:

1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or
2. Market failures / Exchange closures; or
3. Operational issues; or
4. If so directed by SEBI.

It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines (i.e. within 3-4 Business Days) mentioned by the Fund in the scheme offering

	documents, for processing of requests for Redemption may not be applicable.
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p><b>In case of Purchase / Redemption directly with Mutual Fund (By Market Makers and Large Investors):</b></p> <p><b>DIRECTLY FROM THE FUND</b>  Direct transaction with AMC's shall be facilitated for investors only for transactions above a specified threshold. In this regard, to begin with any order placed for redemption or subscription directly with the AMC must be of greater than INR 25 Cr. The aforesaid threshold shall not be applicable for Market Makers.</p> <p>All direct transactions in units of ETFs by Market Makers or other eligible investors (as mentioned above) with AMC's shall be at intra-day NAV based on the actual execution price of the underlying portfolio.</p> <p>The requirement of "cut-off" timing shall not be applicable for direct transaction with AMC's in ETFs by Market Makers and other eligible investors.</p> <p><b>For Redemption of units directly with the Mutual Fund (other than Market Makers and Large Investors):</b>  Investors can directly approach the AMC for redemption of units of ETF, for transaction of upto INR 25 Cr. without any exit load, in case of the following scenarios:</p> <ol style="list-style-type: none"> <li>i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or</li> <li>ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</li> <li>iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.</li> </ol> <p>In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day. Such instances shall be tracked by the AMC on an ongoing basis and in case any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund.</p> <p><b>Settlement of Purchase/Sale of Units of the Scheme on NSE/ BSE</b></p> <p>Buying/Selling of Units of the Scheme on NSE/ BSE is just like buying/selling any other normal listed security. If an</p>

	<p>investor has bought Units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the Stock Exchange(s). If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities pay- in day of the settlement cycle on the Stock Exchange(s). The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the Stock Exchange(s). The Stock Exchange(s) regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out.</p> <p>If an investor has bought Units, he should give standing instructions for 'Delivery-In' to his /her/its DP for accepting Units in his/her/its beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her/its DP to his/ her/its trading member. The trading member will transfer the Units directly to his/her/ its beneficiary account on receipt of the same from NSE's/ BSE's Clearing Corporation.</p> <p>An investor who has sold Units should instruct his/her/its Depository Participant (DP) to give 'Delivery Out' instructions to transfer the Units from his/her/its beneficiary account to the Pool Account of his/her/its trading member through whom he/she/it have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.</p>
<p>Minimum amount for purchase/redemption/switches</p>	<p><b>ON THE EXCHANGE</b></p> <p>Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on the NSE/ BSE on which the Units are listed. Subscriptions made through Stock Exchanges will be made by specifying the number of Units to be subscribed and not the amount to be invested. On the Stock Exchange(s), the Units of the scheme can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof.</p> <p><b>DIRECTLY FROM THE FUND</b></p>

	<p>The Scheme offers for subscriptions/redemptions only for Market Makers in ‘Creation Unit Size’ on all Business Days at a price determined on the basis of approximately indicative NAV based prices (along with applicable charges and execution variations) during the Ongoing Offer for applications directly received at AMC. Large investors can subscribe/redeem directly with the AMC for an amount greater than Rs. 25 crores. Additionally, the difference in the value of portfolio and cost of purchase/sale of Portfolio Deposit on the Exchange for creation/redemption of scheme Units including the Cash Component and transaction handling charges, if any, will have to be borne by the Market Makers /Large Investor.</p> <p>The Fund creates/redeems Units of Scheme in large size known as “Creation Unit Size”. Each “Creation Unit” consists of 30,000 Units of ETF. The value of the “Creation Unit” is the “Portfolio Deposit” and a “Cash Component” which will be exchanged for 30,000 Units of Scheme and/or subscribed in cash equal to the value of said predefined units of the Scheme.</p> <p>The Portfolio Deposit and Cash Component for the Scheme may change from time to time due to change in NAV.</p> <p>The subscription/redemption of Units of Scheme ETF in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by Cash (i.e. payments shall be made only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT) or Funds Transfer Letter/ Transfer Cheque of a bank where the Scheme has a collection account).</p> <p>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p>
Minimum balance to be maintained and consequences of non-maintenance	Nil

Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAI.</p>
Dividend/ IDCW	Not Applicable
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023.</p> <p><b>Non-Resident Investors</b></p> <p>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</p>



	<p>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 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>
Bank Mandate	It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements 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.
Delay in payment of redemption / repurchase proceeds/dividend	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 3 working Days from the date of receipt of a valid redemption request.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	<p>As per the Clause 14.3 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, 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>Provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those</p>

	<p>Overnight scheme/ Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix.</p> <p>The investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. 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>
Disclosure w.r.t investment by minors	<ul style="list-style-type: none"> <li>• Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.</li> <li>• Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified account of the minor i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities.</li> <li>• The AMC will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from ‘minor’ to ‘major’.</li> <li>• All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.</li> </ul>

	<ul style="list-style-type: none"> <li>• No investments (lumpsum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age.</li> </ul> <p>Please refer SAI for details on Transmission of Units.</p>
Investments in Scheme by AMC, Sponsor & Associates	<p>Subject to the Regulations, the AMC and investment companies managed by the Sponsor(s), 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 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 Clause 6.11 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 regarding minimum number of investors in the Scheme.</p> <p>In terms of SEBI notification dated August 5, 2021 and as per Regulation 25, sub-regulation 16A of SEBI (Mutual Funds) Regulations, the asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the Board from time to time</p>

### **III. Other Details**

#### **A. Periodic Disclosures**

##### **Half yearly Disclosures: Financial Results**

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 <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/financials>. 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.

The AMC/Mutual Fund shall publish an advertisement disclosing the hosting of unaudited financial results on their website [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in) in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.

The 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.

##### **Annual Report**

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with Clause 5.4 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the scheme wise annual report or abridged summary thereof will be hosted on the website of the Mirae Asset Mutual Fund viz. <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/financials> 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. <https://miraeassetmf.co.in> 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 & 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 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 of at least two daily newspapers, one each in English and Hindi.

##### **Monthly/Half Yearly Portfolio Disclosures:**

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. <https://www.miraeassetmf.co.in/downloads/portfolio> and on the website of Association of Mutual Funds in India (AMFI) viz. [www.amfiindia.com](http://www.amfiindia.com) 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.

### **Monthly Disclosures**

The AMC shall disclose the following on monthly basis on its website on <https://www.miraeassetmf.co.in/downloads/portfolio>:

- Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme
- Name and exposure to top 7 groups as a percentage of NAV of the scheme.
- Name and exposure to top 4 sectors as a percentage of NAV of the scheme.

Change in constituents of the index, if any, shall be disclosed on the AMC website on the day of change.

### **Monthly Average Asset under Management (Monthly AAUM) Disclosure**

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. <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure> and forward to AMFI within 7 working days from the end of the month.

### **Scheme Summary Document**

The AMC has provided on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. Scheme summary document is uploaded on the websites of AMC viz. <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/scheme-summary-document> , AMFI and stock exchanges in 3 data formats i.e. PDF, Spreadsheet and a machine readable format (either JSON or XML). The document shall be updated by the AMCs on a monthly basis or on changes in any of the specified fields, whichever is earlier.

### **Disclosures with respect to Tracking Error and Tracking Difference**

**Tracking Error (TE):** The AMC shall disclose tracking error based on past one year rolling data, on a daily basis, on the website of AMC on [ETF Mutual Fund: Invest in Exchange Traded Funds Online | Mirae Asset \(miraeassetmf.co.in\)](https://www.miraeassetmf.co.in) and AMFI.

**Tracking Difference (TD):** Tracking difference i.e. the annualized difference of daily returns between the index and the NAV of the scheme shall be disclosed on the website of the AMC on [ETF Mutual](https://www.miraeassetmf.co.in)

**Fund:** Invest in Exchange Traded Funds Online | Mirae Asset ([miraeassetmf.co.in](http://miraeassetmf.co.in)) and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units

**Product Labeling and Risk-o-meter:**

The Risk-o-meter shall have following six levels of risk:

1. Low Risk
2. Low to Moderate Risk
3. Moderate Risk
4. Moderately High Risk
5. High Risk and
6. Very High Risk

The evaluation of risk levels of a scheme shall be done in accordance with clause 17.4 of SEBI Master Circular dated May 19, 2023.

Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders. The risk-o-meter shall be evaluated on a monthly basis and the risk-o-meter along with portfolio disclosure shall be disclosed on the AMC website viz. <https://www.miraeassetmf.co.in/downloads/portfolio> as well as AMFI website within 10 days from the close of each month.

The AMC shall disclose the risk level of schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on its website viz. <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure> and AMFI website.

Further, in accordance with clause 5.16 of SEBI Master Circular dated May 19, 2023, the AMC shall disclose:

- a. risk-o-meter of the scheme wherever the performance of the scheme is disclosed;
- b. risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed.
- c. scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark while disclosing portfolio of the scheme.

**Indicative Net Asset Value (iNAV)**

iNAV i.e. the per unit NAV based on the current market value of the scheme portfolio during the trading hours of the scheme, will be disclosed on a continuous basis on NSE and BSE and will be updated depending upon the availability of the underlying price of silver.

**B. Transparency/NAV Disclosure**

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.

The NAV will be computed upto 4 decimal places.

Pursuant to Clause 8.1 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the NAV of the scheme shall be uploaded on the websites of the AMC (miraeassetmf.co.in) and Association of Mutual Funds in India (www.amfiindia.com) by 9.00 a.m. of the following business day. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following business day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

### **C. Transaction charges and stamp duty-**

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 under clause 10.5. of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 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.

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

<b>Investor Type</b>	<b>Transaction Charges</b>
<b>First Time Mutual Fund 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 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.

(ii) **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.

### **Applicability of Stamp Duty:**

Pursuant to Notification No. S. O. 1226 (E) and G.S.R 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @ 0.005% of the transaction value shall be levied on applicable mutual fund transactions.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including dividend reinvestment) to the unitholders would be reduced to that extent

For details refer in Statement of Additional Information .

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

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

Type of Capital Gain	Income Tax Rates			TDS Rates	
	Resident/ Other non-residents	PIO/ NRI/ FII non-	FII	Resident	NRI/OCBs/ FII & others
<b>Short Term Capital Gain</b> (redemption before completing three year of holding)	Normal rates of tax applicable to the assessee		30%	Nil	30% for Non-resident other than corporates 40% for non-residents corporates, FII & Others
<b>++Long Term Capital Gain</b> (redemption after completing three year of holding)	20%#		10%*	Nil	20%

#with indexation benefit (only where the Investments were made on or before 1st April, 2023) \*without indexation benefit (only where the Investments were made on or before 1st April, 2023) ++ As per the amended Finance Bill 2023, a Specified Mutual Fund (SMF) acquired on or after April 1, 2023, shall be deemed to be short-term capital asset and hence, the gains arising on such transfer will be regarded as short-term capital gains (STCG) irrespective of period of holding. Additionally, SMF is a Mutual Fund holding less than 35% of its total investment in equity shares of domestic companies. Accordingly, a mutual fund investing in debt securities shall fall within the ambit of SMF and the gains arising on its transfer will be regarded as STCG and no indexation benefit will be available on transfer of such investments. Specified mutual funds may include debt mutual funds, gold ETFs, Fund of Funds etc. where investment in domestic companies is less than 35% of proceeds of the fund

**F. Rights of Unitholders-** Please refer to SAI for details.

**G. List of official points of acceptance:** <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

**H. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations etc. for the last 5 financial years and wherever the amount of penalty is more than 5 lakhs for Which Action May Have Been Taken or is In The Process Of Being Taken By Any Regulatory Authority**



<https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

**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 IN THEIR MEETING HELD ON NOVEMBER 30, 2021.**

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**

Place: Mumbai

Date: June 29, 2024