

## Scheme Information Document

### Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund

(An Open Ended Debt Scheme)

Offer for Units of face value Rs. 10 per unit during the New Fund Offer and Continuous offer for Units at NAV based prices.

New Fund Offer Opens on:

New Fund Offer Closes on:

Scheme re-opens on:

#### **Name of the Mutual Fund**

**Canara Robeco Mutual Fund**

#### **Name of the Asset Management Company**

**Canara Robeco Asset Management Company Ltd.**

#### **Name of the Trust**

**Canara Robeco Mutual Fund**

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The particulars of the Scheme have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996 (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with the Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

*This Scheme Information Document sets forth concisely the information about the Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund that a prospective investor should know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund/ Investor Services Centres/Web site/Distributors or Brokers.*

***The investors are advised to refer to the Statement of Additional Information (SAI) for details of Canara Robeco Mutual Fund, Tax and Legal issues and general information on [www.canararobeco.com](http://www.canararobeco.com).***

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

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated 1st February, 2010.

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## SUMMARY OF THE SCHEME

<b>Name of the Scheme</b>	Canara Robeco InDiGo ( <b>IN</b> come from <b>Debt</b> Instruments & <b>GOld</b> ) Fund		
<b>Type / Category</b>	An Open Ended Debt Scheme		
<b>Investment Objective</b>	To generate income from a portfolio constituted of debt & money market securities along with investments in Gold ETFs. However, there can be no assurance that the investment objective of the Scheme will be achieved		
<b>Minimum Application Amount</b>	Minimum amount: Rs. 5,000.00 and multiples of Re.1.00 thereafter. Additional Purchase: Rs. 1,000.00 and multiples of Re. 1.00 thereafter.		
<b>NAV</b>	The AMC shall update the NAVs on the website of Association of Mutual Funds in India – AMFI ( <a href="http://www.amfiindia.com">www.amfiindia.com</a> ) and the website of the AMC ( <a href="http://www.canararobeco.com">www.canararobeco.com</a> ) by 9.00 p.m. every day. In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.		
<b>Applicable NAV for Sale of Units / Switch In</b>	<p>a) For applications received up to 3 p.m, along with instruments payable at par at the place of receipt, closing NAV of the same day on which the application is received shall be applicable.</p> <p>b) For applications received after 3 p.m, along with instruments payable at par at the place of receipt, closing NAV of the next business day shall be applicable.</p> <p>c) For applications received with outstation instruments not payable at par at the place of receipt, closing NAV of the day of realization of the instruments shall be applicable.</p> <p>d) For applications received on non-business day along with instruments payable at par at the place of receipt, closing NAV of the next business day shall be applicable</p>		
<b>Applicable NAV for Repurchase of Units / Switch Out</b>	<p>a) For applications received up to 3 p.m., same day's closing NAV shall be applicable.</p> <p>b) For applications received after 3 p.m., closing NAV of the next business day shall be applicable.</p>		
<b>Asset Allocation</b>	Instruments	Indicative allocations (% of total assets)	Risk Profile
		Minimum    Maximum	High/Medium/Low

	<table border="1"> <tr> <td>Indian Debt and Money Market Instruments</td> <td>65</td> <td>90</td> <td>Low to Medium</td> </tr> <tr> <td>Gold ETFs</td> <td>10</td> <td>35</td> <td>Low to Medium</td> </tr> </table> <p>Exposure by the Scheme in Securitised Debt shall not exceed 25% of the Net Assets of the Scheme at the time of investment.</p> <p>Gross Notional Exposure by the Scheme in fixed income derivative instruments for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the Net Assets of the Scheme at the time of investment.</p> <p>Total of investments in debt securities (including securitized debt), money market instruments, Gold ETFs and gross notional exposure in derivatives shall not exceed 100% of the net assets of the Scheme.</p>	Indian Debt and Money Market Instruments	65	90	Low to Medium	Gold ETFs	10	35	Low to Medium
Indian Debt and Money Market Instruments	65	90	Low to Medium						
Gold ETFs	10	35	Low to Medium						
<b>Investment Options</b>	Growth Option, Quarterly Dividend Option (Payout and Reinvestment)								
<b>Load Structure</b>	<p><u>Entry Load</u> -</p> <ul style="list-style-type: none"> <li>• Nil. The Upfront Commission will be paid by the investors to their Investment Advisors / Brokers</li> </ul> <p><u>Exit Load/ Switch-over load</u> -</p> <ul style="list-style-type: none"> <li>• 0.5% if redeemed / switched-out in less than or equal to 6 months from the date of allotment.</li> <li>• Nil if redeemed or switched out after 6 months from the date of allotment</li> </ul> <p><u>CDSC</u> - Nil</p> <p>Of the exit load or CDSC charged to the investor, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which can be used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Any balance shall be credited to the Scheme immediately.</p> <p>The distributors shall 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.</p>								
<b>Bench Mark</b>	<p>Benchmark Index: CRISIL Short Term Bond Fund Index + Price of Gold (neutral allocation: 65:35)</p> <p>As approved by the Board of Directors/Trustees, CRISIL Short Term Bond Fund Index is the Benchmark for the Debt part of the portfolio consisting of Debt and Money Market Instruments. Price of Gold as per SEBI Regulations for Gold ETFs in India is the Benchmark for Gold and Gold related instruments. The Composition of the Index for Canara</p>								

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	<p>Robeco InDiGo (INcome from Debt Instruments &amp; GOld) Fund, therefore, would be in the ratio of asset allocation i.e., 65% - CRISIL Short Term Bond Fund Index &amp; 35% - Price of Gold as stated above. Any change in the Benchmark Index for the Scheme would be actuated only post approval from Board of Directors/Trustees.</p>
<p><b>Liquidity</b></p>	<p>On an ongoing basis and as specified herein, the Scheme will commence purchase of units and redemption of Units not later than 30 days after the close of the New fund Offer Period on every Business Day at NAV based prices, subject to the prevailing load structure.</p> <p>The AMC reserves the right to reject further subscription/ application for units of the Scheme on an on-going basis, depending on the prevailing market conditions and to protect the interest of the Investors. Such change will be notified to the investors by display of notice at various investor service centres of AMCs and its website. Units can be redeemed (i.e. sold back to the Mutual Fund) on or Switched out (i.e. to another scheme of the Mutual Fund or Option(s) offered within the Scheme, if any) every Business Day, at the applicable NAV subject to applicable Load, if any. The Units of the Scheme will not be listed on any exchange, for the present. The Mutual Fund will, under normal circumstances dispatch redemption cheques within 10 Business Days from the date of acceptance of the redemption request at any of the official point(s) of transaction(s).</p>
<p><b>Transparency / NAV Disclosure</b></p>	<p>The AMC will disclose the first NAV of the Scheme not later than 30 days from the closure of New Fund Offer Period. Subsequently, the NAV will be disclosed at the close of every Business Day and released to the Press, News agencies and the Association of Mutual Funds of India (AMFI). NAVs will also be displayed on the website of the AMC (<a href="http://www.canararobeco.com">www.canararobeco.com</a>). The NAV shall be published at least in two daily newspapers on daily basis. The AMC will disclose the portfolio of the Scheme on a monthly basis on the website of the AMC (<a href="http://www.canararobeco.com">www.canararobeco.com</a>). As presently required by the SEBI Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in a newspaper within one month from the close of each half year (i.e. March 31 &amp; September 30) or mailed to the unit holders. The AMC shall update the NAVs on the website of Association of Mutual Funds in India – AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) and the website of the AMC (<a href="http://www.canararobeco.com">www.canararobeco.com</a>) by 9.00 p.m. every day. In case of any delay, the reasons for such delay would be explained to AMFI and number of such instances would be reported to SEBI on bimonthly basis. If the NAVs are not available before the commencement of the following day due to any reason, the Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p>

Standard Observation: 17(a)

## I. INTRODUCTION

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### **A. RISK FACTORS**

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

- I. Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- II. As the price / value / interest rates of the securities in which the Scheme invests fluctuate, the value of your investment in the Scheme may go up or down.
- III. The past performance of the Sponsors/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- IV. Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or returns.
- V. Canara Bank and Robeco Groep N. V., being the Sponsors, are not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 10 Lacs made towards setting up the Canara Robeco Mutual Fund.
- VI. The present scheme is not a guaranteed or assured return scheme.

#### **Scheme specific Risk Factors:**

I. 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 rate 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.

II. 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 the 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.

III. 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.

IV. Liquidity Risk: This refers to the ease with which a security can be sold at or near to its valuation or 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.

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

The Scheme may invest up to 25% of the net asset in domestic securitized debt assets. These assets would be in the nature of Mortgage Backed Securities (MBS) and Asset Backed Securities (ABS) with underlying pool of assets and receivables like Housing loans, Auto loans and Corporate loans. The Scheme intends to invest only in highly rated securitized instruments/Pass Through Certificates (PTCs) rated by a recognised credit rating agency. The Securitized debt assets and the underlying asset classes like Housing loans, Auto loans and Corporate loans have the following risk factors:

#### V. Risk associated with investing in Securitized Debt

The Scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be residential or commercial in nature. ABS / MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS / MBS or the originator of the underlying receivables. The ABS / MBS holders have a limited recourse to the extent of credit enhancement provided. ABS / MBS holders will suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceed the credit enhancement provided. As compared to the normal corporate or sovereign debt, ABS / MBS are normally exposed to a higher level of reinvestment risk.

#### VI. Risk associated with Mortgage Backed Securities (MBS) - Housing Loans

**Prepayment Risk:** The Fund may receive payment of monthly payouts earlier than scheduled. Prepayments shorten the life of the instrument to an extent that cannot be fully predicted. The rate of prepayments may be influenced by a variety of economic, social and other factors.

**Credit Risk:** Delinquencies may happen which would reduce the principal amount. Typically MBS structures come with credit enhancement in variety of forms. If delinquencies are higher than the amount available in the credit enhancement facility then the monthly payouts to The Scheme would reduce. Historically, it has been observed that housing loans have lower default rates as compared to other forms of credit.

**Liquidity Risk:** Historically the secondary market volume of securitized papers has been limited. This could limit the ability of The Scheme to resell them. Secondary market trade could be at a discount or premium depending upon the prevailing interest rates.

**Conversion Risk:** Conversion of loans from fixed rates to floating rate loans and vice versa could lead to a change in the expected cash flows from the loans.

#### VII. Risk associated with Asset Backed Securities (ABS)-Auto loans

**Prepayment Risk:** The Scheme may receive payment of monthly payouts earlier than scheduled. Prepayments shorten the life of the instrument to an extent that cannot be fully predicted. The rate of prepayments may be influenced by a variety of economic, social and other factors. Prepayment in auto loans is lower than housing loans as the shorter tenor of auto loans makes it economically unattractive to prepay after considering the prepayment charges.

**Credit Risk:** Delinquencies may happen which would reduce the principal amount. Typically ABS structures come with credit enhancement in variety of forms. If delinquencies are higher than the amount available in the credit enhancement facility then the monthly payouts to The Scheme

would reduce. Typically auto loans carry higher risk than MBS as the value retention of the underlying asset is higher in MBS as compared to the underlying asset of ABS.

Liquidity Risk: Historically the secondary market volume of securitized papers has been limited. This could limit the ability of The Scheme to resell them. Secondary market trade could be at a discount or premium depending upon the prevailing interest rates.

#### VIII. Risk associated with Asset Backed Securities (ABS) - Corporate loans

Credit Risk: Where the Scheme has an exposure to the borrowers servicing of the instrument depends on the credit risk of the borrower, the value of the instrument would fluctuate depending upon the changes in the perceived level of credit risk as well as any actual default.

Prepayment Risk: The borrower may prepay the receivables prior to their respective due dates. This may result in a change in the yield and tenor for The Scheme.

Limited Liquidity and Price Risk: Historically the secondary market volume of securitized papers has been limited. This could limit the ability of The Scheme to resell them. Secondary market trade could be at a discount or premium depending upon the prevailing interest rates.

#### IX. Risk associated with investing in Derivatives

As and when the Scheme trades in the derivatives market, there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risk in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Derivatives can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Fund Manager involve uncertainty and decision of the Fund Manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies.

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

Trading in derivatives has the following risks:

- a. An exposure to derivatives in excess of the hedging requirements can lead to losses.
- b. An exposure to derivatives can also limit the profits from a genuine investment transaction.
- c. Efficiency of a derivative market depends on the development of a liquid and efficient market for underlying securities.

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## X. Risk factors relating to investments in Gold ETFs

1. The price of Gold may fluctuate due to various reasons which are:
  - a) Global gold supplies and demand, which is influenced by factors such as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales and productions and cost levels in major gold producing countries such as South Africa, United States and Australia.
  - b) Investor's expectations with respect to the rate of inflation
  - c) Currency Exchange Rates
  - d) Interest Rates
  - e) Investment and Trading activities of Commodity funds/Hedge funds
  - f) Global or regional political, economic or financial events and situations

In addition there is no assurance that gold will maintain its long-term value in terms of purchasing power in the future. In the event that the price of gold declines, the value of investment in units in which the Scheme has invested will, in general, decline proportionately.

2. There may be certain circumstances that may motivate large-scale sales of gold by the issuer of Gold ETFs which could decrease the price of gold and adversely affect the value of investment in the Gold ETFs in which the Scheme has invested.
3. The gold underlying the Gold ETFs in which the Scheme has invested may be subject to loss, damage, theft, or restriction on access. There is a risk that part or all of the underlying gold of the Gold ETFs could be lost, damaged or stolen. Access to the said gold could also be restricted by natural events (such as earthquake) or human actions (such as terrorist attack). Any of these actions may adversely affect investment value of the Gold ETFs in which the Scheme has invested.
4. Impact cost risk:

Impact costs are implicit costs also which is paid by liquidity demanders to liquidity providers. Generally, the best bid and ask prices quoted in the market are for only small transactions. Larger transactions may have to be executed at even less favorable prices. The additional cost is called an impact cost. For e.g. if the ruling market price of a security is Rs.500/- one may be able to buy/sell small quantities for that price. But, if one wishes to buy/sell huge quantities he might have to pay /receive higher/lower price.

Similarly, absence of adequate liquidity of Gold ETF units may impact the cost of purchasing and selling the Gold ETF units.

5. Changes in indirect taxes like custom duties for import, sales tax, VAT or any other levies will have an impact on the valuation of gold and consequently the NAV of the units in which the Scheme has invested

## **B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. However, if such limit is breached during the NFO of the Scheme, the Mutual Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2) (c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Scheme on the applicable Net Asset Value on the 15th day of the notice period. The Scheme shall adhere to the requirements prescribed by SEBI from time to time in this regard.

## **C. SPECIAL CONSIDERATIONS**

The liquidity of the Scheme's investments is inherently restricted by trading volumes and settlement periods. In the event of an inordinately large number of redemptions or of a restructuring of the Scheme's investment portfolio, there may be delays in the redemption of units. Please refer to the section on "Right to limit repurchases" and "Suspension of sales/repurchase/switching options of the units" in this Document.

The value of the Scheme investments may be affected by factors affecting capital markets generally, such as price and volume volatility in the stock markets, interest rates, currency exchange rates, foreign investments, changes in government policy, political, economic or other developments and closure of the stock exchanges.

The NAV of the Scheme will be sensitive to changes in Interest /Bank / Prime Lending Rates. In case of investment in Money Market Instruments and in Central / State Govt. Securities by the Scheme, an increase in the Interest / Bank / Prime Lending Rates will impact the market value of existing investments leading to decrease in the Scheme's NAV.

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (Credit Risk). Debt securities may also be subject to price volatility due to such factors as interest sensitivity, market perception or creditworthiness of the issuer and general market liquidity (Market Risk). While it is the intention of the Fund Manager to invest primarily in highly rated debt securities, the Scheme may from time to time invest in higher yielding, lower rated securities but not below investment grade and also in un-rated securities subject to provisions and restrictions laid down by SEBI, which would enhance the degree of risk.

Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to investors in the Scheme.

The NAV of the Scheme may be affected by the changes in the general market conditions, factors affecting capital market in particular, level of interest rates, various market related factors, settlement periods and transfer procedures.

A unit holder may invest in the Scheme and acquire a substantial portion of the Scheme units. The repurchase of units by the unit holder may have an adverse impact on the units of the Scheme, because the timing of such repurchase may impact the ability of other unit holders to repurchase their units.

The tax benefits described in this Scheme Information Document are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently followed in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor is advised to consult his/her own professional tax advisor.

Any disruption in the normal functioning of the Debt market or extreme illiquidity in any one of the Scheme's securities, may affect the ability of the Fund Manager to buy or sell freely in the market. In the event of a large number of repurchase requests, the time taken by the Scheme for repurchase may become significant.

It may be noted that no prior intimation/indication would be given to investors when the composition asset allocation pattern of the Scheme undergo changes within the permitted band as mentioned in this document.

Investors should study this Scheme Information Document carefully in its entirety and should not construe the contents hereof as advice relating to legal, taxation, investment or any other matters. Investors may, if they wish, consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/redeem units. Canara Robeco Mutual Fund will not be responsible for any loss of tax benefits in the event of winding up of the Scheme or for any amendment in tax laws that may affect the tax benefits available under the Scheme. The tax benefits are based on the present laws and rules in force.

#### D. DEFINITIONS

In this Scheme Information Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

<b>AMC Fees</b>	Investment management fee charged by the AMC to the Scheme.
<b>Applicable NAV</b>	The NAV calculated for the Business Day on which Sale and Repurchase requests received by the Investment Manager or its authorized agents.
<b>Applicant</b>	"Applicant" means a person who applies for allotment of units of Canara Robeco InDiGo (INcome from Debt Instruments & GOLD) Fund in pursuance of this Scheme Information Document.

<b>Asset Management Company OR AMC OR Investment Manager</b>	Canara Robeco Asset Management Company Ltd. (CR AMC)
<b>Allotment Date</b>	The date on which the units of Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund are allotted to the successful applicants from time to time and includes allotment made pursuant to the New Fund Offer.
<b>Business Day</b>	<p>A day not being:</p> <p>(1) A day on which Banks in Mumbai or the Reserve Bank of India are closed, or</p> <p>(2) A day on which there is no RBI clearing/settlement of securities; or</p> <p>(3) A day on which both the Stock Exchanges, Mumbai and the National Stock Exchange of India Limited are closed, whether or not the banks in Mumbai are open; or</p> <p>(4) A day on which Purchase and Redemption of Units is suspended or a book closure period is announced by the Trustee / AMC; or</p> <p>(5) A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time.</p> <p>Provided that the days when the banks in any location where the AMC's branch offices are located, are closed due to a local holiday, such days will be treated as non Business Days at such branches for the purposes of accepting fresh subscriptions. However, if the branch offices in such locations are open on such local holidays, then redemption and switch requests will be accepted at those branches, provided it is a Business Day for the Scheme on an overall basis.</p> <p>Notwithstanding the above, the AMC reserves the right to change the definition of Business Day and to declare any day as a Business Day or otherwise at any or all branch offices.</p>
<b>Canara Bank</b>	Canara Bank, a body corporate constituted under the provisions of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its registered office at 112, J. C. Road, Bangalore, 560002.
<b>CBLO</b>	Collateralized Borrowing and Lending Obligations is a Money Market Instrument, approved by RBI (developed by Clearing Corporation of India Ltd). CBLO is a discounted instrument issued in an electronic book entry form for maturity ranging from one day to ninety days.

<b>CDSC</b>	Contingent Deferred Sales Charge (CDSC) is a charge imposed when the units are redeemed within 4 years from the date of allotment. The SEBI Regulations mandate the maximum amount that can be charged in each year.
<b>Custodian</b>	The custodian to Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund appointed from time to time.
<b>The Fund</b>	Canara Robeco Mutual Fund
<b>Gold ETF</b>	Gold Exchange Traded Fund refers to schemes having Gold as underlying whose units are listed on an exchange and can be bought / sold at prices which may be close to NAV of the Scheme.
<b>Money Market Instruments</b>	Include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities, having an un-expired 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 / SEBI, from time to time.
<b>MIBOR</b>	Mumbai Inter Bank Offered Rate
<b>Gilt/Govt. Securities</b>	Central Govt. Securities as defined in Section 2 of the Public Debt Act, 1944 (18 of 1944) and Government Securities created and issued by the State Govt. under the said Act.
<b>Interest Rate Risk</b>	Uncertainty of future market values and of the size future income caused by fluctuations in the general level of interest rates.
<b>NAV</b>	The term Net Asset Value (NAV) appearing in this Scheme Information Document means the NAV per unit of Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund.
<b>Scheme Information Document</b>	This document offers units of Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund to applicants for subscription.
<b>Person</b>	The word "person" shall include a body corporate, group of individuals, trusts and other association of persons whether incorporated or not.
<b>RBI</b>	Reserve Bank of India, established under the Reserve Bank of India Act 1934, as amended from time to time.
<b>Repo</b>	Sale of Govt. Securities with simultaneous agreement to repurchase them at a later date
<b>Reverse Repo</b>	Purchase of Govt. Securities with a simultaneous agreement to sell them at a later date.

<b>Robeco Groep N. V.</b>	Robeco Groep N.V. (Robeco) is wholly owned by Rabobank Nederland and is one of the Sponsors of the Mutual Fund.
<b>Settler</b>	Canara Bank
<b>Sponsors</b>	The Sponsors of the Mutual Fund, namely Canara Bank and Robeco Groep N. V.
<b>Statement of Account</b>	A non-transferable statement indicating the number of units held by the investor on a particular date.
<b>Switch Over</b>	Simultaneous applications by a unit holder for repurchase / redemption of units held by him under one of the Schemes (or a plan under the same Scheme) of Canara Robeco Mutual Fund with authorization to the Investment Manager to apply the repurchase/redemption proceeds, for the purchase of fresh/additional units of another scheme (or under another plan of the Scheme of which he is a unit holder) of Canara Robeco Mutual Fund, which is open for subscription at the time when the applications are made.
<b>Stock Exchange</b>	Stock Exchange means a Stock Exchange which is for the time being, recognised under the Securities Contracts (Regulation) Act,1956 (42 of 1956).
<b>SEBI</b>	Securities & Exchange Board of India established under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
<b>The Scheme</b>	Canara Robeco InDiGo (INcome from Debt Instruments & Gold) Fund
<b>Trustees</b>	Trustees means Canara Bank in its Capacity as Principal Trustee and other Trustees appointed from time to time and include a Trustee Company, as and when incorporated and the directors of such Trustee Company.
<b>Trust Deed</b>	Principal Trust Deed (Amended & Restated) dated 26 <sup>th</sup> September 2007.
<b>The Regulations</b>	Securities & Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.
<b>Unit Capital</b>	The aggregate face value of the units issued and outstanding (including fractional units) under Canara Robeco InDiGo (INcome from Debt Instruments & GOLD) Fund
<b>Unit</b>	One undivided share of a unit holder in the assets of Canara Robeco InDiGo (INcome from Debt Instruments & GOLD) Fund

<b>Unit holder</b>	A person holding units of Canara Robeco InDiGo (INcome from Debt Instruments & GOLD) Fund and includes a person who has opted to switch over his investment(s), wholly or partially, from another scheme or schemes of the Canara Robeco Mutual Fund to Canara Robeco InDiGo (INcome from Debt Instruments & GOLD) Fund in accordance with the terms of this Scheme Information Document.
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***Interpretation***

***For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:***

- The terms defined in this scheme information document include the plural as well as the singular.***
- Pronouns having a masculine or feminine gender shall be deemed to include the other.***

***The expressions not defined here shall carry the same meaning, assigned to them in the Scheme Information Document.***

## E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

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Observation:  
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It is confirmed that:

- a) the draft Scheme Information Document forwarded to SEBI, is in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, and the guidelines and directives issued by SEBI, from time to time.
- b) 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.
- c) 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.
- d) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and till date such registration is valid, as on date.
- e) the contents of the SID including figures, data, yields, etc. have been checked and are factually correct.
- f) The Board of Trustees has approved the SID on 14<sup>th</sup> January, 2010.

Date: 01<sup>st</sup> February, 2010

Signature:

Place: Mumbai

Name: Paul Vrancken

Chief Operating Officer,

Canara Robeco Asset  
Management Company Ltd.

## II. INFORMATION ABOUT THE SCHEME

**A) TYPE OF THE SCHEME**

Canara Robeco InDiGo (INcome from Debt Instruments & GOLD) Fund is an Open Ended Debt Scheme.

**B) WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?**

To generate income from a portfolio constituted of debt & money market securities along with investments in Gold ETFs. However, there can be no assurance that the investment objective of the Scheme will be achieved.

**C) HOW WILL THE SCHEME ALLOCATE ITS ASSETS?**

The Asset Allocation pattern of the Scheme under normal circumstances would be as under:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Indian Debt and Money Market Instruments	65	90	Low to Medium
Gold ETFs	10	35	Low to Medium

Standard Observation:  
4, 14

*Exposure by the Scheme in Securitised Debt shall not exceed 25% of the net assets of the Scheme at the time of investment.*

Standard Observation:  
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*Gross notional exposure by the Scheme in fixed income derivative instruments for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the net assets of the Scheme at the time of investment.*

*Total of investments in debt securities (including securitized debt), money market instruments, Gold ETFs and gross notional exposure in derivatives shall not exceed 100% of the net assets of the Scheme.*

Subject to the SEBI 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 stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the Fund Manager; the intention being at all times to seek to protect the interests of the unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

### **Investment Pattern and changes:**

The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances:

1. During extreme volatility / ill-liquidity in the capital market/securities market.
2. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.
3. Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch.
4. During the time the Scheme receives bulk repurchase and/or bulk investment.

A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as the normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis.

### **Portfolio Rebalancing:**

In the event of changes in the asset allocation as stated above, the Scheme would endeavour to rebalance the portfolio within 10 days. In the event of the Scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing. Investment Committee shall then decide on the course of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall investment objective of the Scheme.

### **D) WHERE WILL THE SCHEME INVEST?**

Subject to the Regulations, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities:

**Debt Instruments** - include Govt. of India Securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt, Govt. Agencies and other statutory bodies (with or without Govt. guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, Securitised Debt, Usance Bills (Bill of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted having a maturity of more than 365 days.

**Money Market Instruments** - include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice Money (Call and Notice Money Market refers to the market for short term funds including overnight funds. Under call money market, funds are transacted on overnight basis and under notice money market, funds are transacted for the period between 2 days and 14

Standard Observation: 12, 15
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days), Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India / SEBI, from time to time. The Scheme proposes to invest in Collateralized Borrowing Lending Obligation (CBLO is a discounted money market instrument available in electronic book entry form for the maturity period ranging from one day to ninety Days), Repos Treasury Bills, MIBOR Instruments, CPs, CDs and Govt. Securities having un-expired maturity up to one year. These securities may be listed or unlisted.

**Securitized Debt-** Securitized Debt is a financial instrument (bond) whose interest and principal payments are backed by an underlying cash flow from another asset. Asset Securitization is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitization involves sale of specific receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (promissory notes, participation certificates or other debt instruments) also referred to as "Securitized Debt" to the investors evidencing the beneficial ownership of the investors in the receivables.

Investment in "Securitized Debt" includes investment in Asset Backed Receivables and Future Flow Receivables. Such Securitized Debts are asset classes like, personal vehicle receivables, commercial vehicle receivables, mortgage backed receivables i.e. housing finance receivables, lease receivables and corporate/consumer loan receivables.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

**Gold ETFs** - Gold has been generally considered as a safe haven during times of economic upheavals and volatile equity markets. Since gold is traded internationally in London is typically denominated in US dollars, any negative news about the US economy like the recent apprehensions of the US economy getting into a recession, adversely impacts the value of US Dollar against other currencies of the world. This acts as one of the main factors on the rise in gold Prices, as was observed recently, as investors, especially those in US, generally seek to invest in gold and Gold ETFs to protect their financial risk in other Asset classes like equity etc.

The Scheme may invest in Gold ETFs after conducting thorough analysis of the fundamental factors determining demand and supply of gold. Investment in Gold ETFs will be guided by pre-set risk management limits and controls for ETF Investments.

The AMC may from time to time for a short term period under exceptional circumstances on defensive consideration modify / alter the investment pattern / asset allocation the intent being to protect the Net Asset Value of the Scheme & the interests of unit holders without seeking consent of the unit holders.

**Portfolio Rebalancing:**

The Scheme would endeavour to rebalance the portfolio within 10 days. In the event of the Scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee and reasons for the same shall be recorded

in writing. Investment Committee shall then decide on the course of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall investment objective of the Scheme.

E) **WHAT ARE THE INVESTMENT STRATEGIES?**

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**Investment Focus and strategy:**

The Fund Manager would take cues from seasonal patterns of gold, global & domestic macro economic events and Government policy & Central Bank actions and decide on the asset allocation between gold & fixed income. The allocations will be within the limits defined in the asset allocation table for each asset class. The Fund Manager will then create a portfolio of fixed income securities and Gold ETFs after adhering to stringent credit quality and sector limitations. An emphasis is laid on selecting the top rated securities under the accrual based portfolio construction which is highly liquid so as to create liquidity as and when required. The Fund Manager will continuously review maturity profile of the portfolio along with daily cash projection of the portfolio & and then would arrive at the asset allocation & portfolio construction within the limits and control structures set by risk management.

Gold can be a partial hedge against inflation. Gold has seen a favorable development over the years in difficult times for the global economy especially in times of economic turmoil. Instead of providing enhanced yield at the cost of additional duration risk (G-Sec trading) or credit risk (corporate bond exposures), the yields of a low duration fixed income portfolio can be enhanced by investing a limited allocation into gold.

With a flexible allocation between fixed income and gold, the Scheme can effectively capture the seasonal patterns in gold and fixed income.

The Scheme will seek to underwrite issuance of Government Securities if any, to the extent permitted by SEBI/RBI, subject to the prevailing rules and regulations specified in this respect. The Scheme may also participate in their auction from time to time. In addition, the Investment Manager will study the macro economic conditions, including political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same. There can be no assurance that the investment objective of the Scheme will be realised. It is however, emphasized that, there is no risk of default of payment of either principal or interest amount in respect of investments made in Government Securities, Treasury Bills, under the Scheme.

**Debt and Money Markets in India**

The Indian debt market is today one of the largest in Asia and includes securities issued by the Government (Central & State Governments), public sector undertakings, other government bodies, financial institutions, banks and corporates. Government and public sector enterprises are the predominant borrowers in the markets. The major players in the Indian debt markets today are banks, financial institutions, mutual funds, insurance companies, primary dealers, trusts, pension funds and corporates. The Indian debt market is the largest segment of the Indian financial markets. The debt market comprises

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broadly two segments, viz. Government Securities market or G-Sec market and corporate debt market. The latter is further classified as market for PSU bonds and private sector bonds.

The Government Securities (G-Secs) market, with market capitalization of Rs. 19,66,139 cr as at January 2010 (State Govt securities – Rs 5,16,933 cr, Source: NSE), is the oldest and the largest component (70% share in market cap) of the Indian debt market in terms of market capitalization, outstanding securities and trading volumes. The G-Secs market plays a vital role in the Indian economy as it provides the benchmark for determining the level of interest rates in the country through the yields on the Government Securities which are referred to as the risk-free rate of return in any economy. Over the years, there have been new products introduced by the RBI like zero coupon bonds, floating rate bonds, inflation indexed bonds, etc.

The corporate bond market, in the sense of private corporate sector raising debt through public issuance in capital market, is only an insignificant part of the Indian Debt Market. The market capitalization of corporate bonds in the debt market as on January 2010 is Rs.1,26, 668 Cr (Source: NSE). A large part of the issuance in the non-Government debt market is currently on private placement basis.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills (issued by RBI). In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates. In money market, activity levels of the Government and nongovernment debt vary from time to time. Instruments that comprise a major portion of money market activity include but not limited to:

- Overnight Call
- Collateralised Borrowing & Lending Obligations (CBLO)
- Repo/Reverse Repo Agreement
- Treasury Bills
- Government securities with a residual maturity of < 1 year.
- Commercial Paper
- Certificate of Deposit

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as Money Market Instruments, PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The market has evolved in past 2-3 years in terms of risk premia attached to different class of issuers. Bank CDs have clearly emerged as popular asset class with increased acceptability in secondary market. PSU banks trade the tightest on the back of comfort from majority government holding. Highly rated manufacturing companies also

command premium on account of limited supply. However, there has been increased activity in papers issued by private/foreign banks/NBFCs/companies in high-growth sector due to higher yields offered by them. Even though companies across these sectors might have been rated on a same scale, the difference in the yield on the papers for similar maturities reflects the perception of their respective credit profiles.

The following table gives approximate yields prevailing in the last 1 Month ending 31<sup>st</sup> January, 2010 on some of the instruments:

<b>Instrument</b>	<b>Current Yield Range</b>
CBLO	1.33 – 3.17
Repo	2.75 – 3.35
3m Tbill	3.30 – 4.03
1y Tbill	4.43 – 4.80
10y GSec	7.55 – 7.71
3m PSU Bank CD	5.25 – 5.35
3m NBFC CP	6.00 – 6.25
3m Manufacturing Co. CP	5.70 – 6.00
1y PSU Bank CD	6.15 – 6.30
1y NBFC CP	7.50 – 8.00
1y Manufacturing Co. CP	7.60 – 8.10
5y AAA Institutional Bond	8.13 – 8.40
10y AAA Institutional Bond	8.63 – 8.71

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

### **Risk Control Mechanism**

#### *Debt Securities*

The Scheme has a risk management strategy that endeavors to manage risks associated with investing in fixed income & money market instruments. The Scheme has identified various risks pertaining to the scheme including interest rate, credit and liquidity risks

and has placed appropriate limit and control structures that are embedded in the investment process to mitigate these risks.

#### *Gold ETFs*

The Scheme endeavors to mitigate risks associated with investing in physical gold like risk of loss, damage, theft and natural calamities/human actions by investing in approved Gold ETF/s with appropriate limits for each Gold ETF. These limits and controls are also aimed at minimizing the risks of Impact Costs, Exchange Rate and Liquidity Risks generally associated with Gold ETFs.

#### **Procedure followed for investment decisions:**

The Fund Manager of the Scheme is responsible for making buy /sell decisions for the Scheme's portfolio and seeks to develop a well diversified portfolio taking into account the asset allocation patterns of various schemes along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.

The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Equities, and Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook.

The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings, as well as additional ad-hoc meetings as needed, to explore the investment thesis.

It is the responsibility of the AMC to seek to ensure that the investments are made as per the regulatory guidelines, the investment objective of the Scheme and in the interest of the unit holders of the Scheme. The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.

#### **Portfolio Turnover Policy:**

Purchase and Sale of securities attract transaction costs of the nature of brokerage, stamp duty, custodian transaction charges etc. The portfolio turnover is essential to regularly explore trading opportunities to optimise returns for the Scheme and enable portfolio restructuring when required.

The Scheme will manage its portfolio taking into account the associated risks (such as interest / liquidity / redemption etc.) perceived / expected so as to minimise the risks by using adequate risk management techniques. The portfolio turnover policy will be aimed at maximising the returns/growth.

The AMC believes in active churning of the portfolio with an aim to encash on the opportunities that present themselves from time to time. However the Scheme shall aim to achieve the turnover target of 100% to 150% of the corpus of the Scheme so long as the above target is cost effective and profitable without affecting long-term growth prospects of the investment and the Scheme objective

In terms of the objective of the Scheme, the investments are made in securities having an unexpired maturity in line with the liquidity needs of the Scheme. Hence the portfolio turnover will depend upon the outflow on account of any redemptions and also the volatility of interest rates and the Scheme aims to maintain an adequate portfolio turnover ratio.

Pursuant to Schedule IX read with Regulation 50 of the SEBI (Mutual Funds) Regulations, 1996, the cost of investments acquired or purchased shall include all such costs incurred for effecting the transaction while the sale proceeds of investment sold or redeemed shall be net of all such costs incurred for effecting the sale transactions and shall form part of the purchase or the sale value of investments.

**Portfolio Rebalancing:**

The Scheme would endeavour to rebalance the portfolio within 10 days. In the event of the Scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing. Investment Committee shall then decide on the course of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall investment objective of the Scheme.

Standard Observation: 8
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F) **FUNDAMENTAL ATTRIBUTES**

Standard Observation: 8

i) **Type of a scheme**

Canara Robeco InDiGo (INcome from Debt Instruments & GOLD) Fund is An Open Ended Debt Scheme mainly focused on investments in Debt Securities, Money Market Instruments and Gold ETFs.

ii) **INVESTMENT OBJECTIVE**

To generate income from a portfolio constituted of debt & money market securities along with investments in Gold ETFs. However, there can be no assurance that the investment objective of the Scheme will be achieved.

**Investment Pattern:**

Standard Observation: 4, 13, 14

The Asset Allocation pattern of the Scheme under normal circumstances would be as under:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium /Low
Indian Debt and Money Market Instruments	65	90	Low to Medium
Gold ETFs	10	35	Low to Medium

*Exposure by the Scheme in Securitised Debt shall not exceed 25% of the Net Assets of Scheme at the time of investment.*

*Gross Notional Exposure by the Scheme in fixed income derivative instruments for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the Net Assets of Scheme at the time of investment.*

*Total of investments in debt securities (including securitized debt), money market instruments & Gold ETFs and gross notional exposure in derivatives shall not exceed 100% of the net assets of the Scheme.*

Subject to the SEBI 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 stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available

in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

Portfolio Rebalancing:

The Scheme would endeavour to rebalance the portfolio within 10 days. In the event of the Scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing. Investment Committee shall then decide on the course of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall investment objective of the Scheme.

### (iii) Terms of Issue

#### A. Listing

As the repurchase facility is provided on an ongoing basis, at NAV related prices, the units of the Scheme are not going to be listed on any Stock Exchanges.

#### B. Repurchase

##### a) **How to Repurchase:**

The repurchase requests can be made on the forms available at the Sales Offices of the AMC (refer last page for the list of sales offices) or by submitting the duly discharged Statement of Account.

AMC shall pay the redemption or repurchase proceeds within 10 working days. If AMC fails to pay the amount within the stipulated time, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 10 days till the date of dispatch of the said redemption or repurchase proceeds.

##### b) **Applicable Rate for Repurchase of Units:**

In respect of valid applications received up to 3 p.m. by the Mutual Fund, same day's closing NAV shall be applicable.

In respect of valid applications received after 3 p.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.

**Calculation of Repurchase Price:** The exit load will be subtracted as a percentage of Net Assets Value (NAV) i.e. applicable loads as a percentage of NAV will be subtracted from NAV to calculate Repurchase Price. The formula for calculation of Repurchase Price would be:

Repurchase Price = Applicable NAV x (1-Exit Load, if any)

*E.g. If the applicable NAV is Rs. 10, and repurchase/exit load is 1.00% then repurchase price will be*

*Rs. 10\* (1-0.01) will be Rs. 9.90.*

If units are held jointly, redemption/ repurchase requests shall be signed by all the joint holders and the proceeds of the repurchase/redemption will be paid to the first holder. In the event of the death of the first named holder, survivor/s will have to make the repurchase/redemption requests, duly signed by him/them along with the attested copy

of the death certificates and the proceeds of the repurchase/redemption will be paid to him/them.

However, if the unit holding is specified as 'Anyone or Survivor', any one of the unit holders will be entitled to make redemption/repurchase requests, without the need for the other unit holders to sign.

Unit holder may either request for mailing of the redemption proceeds to his/her address or collection of the same from the Sales Offices of the AMC (Investor Relations Centre), where it was deposited for repurchase.

The repurchase warrant, under normal circumstances, will be dispatched within the statutory time limit of 10 working days from the date of the receipt of the repurchase / redemption requests.

Name of the centres where redemption can be effected is furnished on the last page of this document.

**c) Right to Limit Repurchase:**

In an open ended Scheme, any disruption in the normal functioning of the markets for Equity / Call Money Market or extreme illiquidity in any of the investments held by the Scheme may affect the ability of the Fund Manager to buy or sell freely in the market. The Scheme strives to maintain an adequate and desirable level of liquidity.

**Procedure followed for limiting repurchase:**

Trustees shall approve the limits for repurchase which shall be intimated to SEBI in advance and shall be notified to all the unit holders by publishing the same 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.

In the event of a large number of repurchase requests, the time taken by the Scheme for the repurchase may become significant.

**C. Aggregate fees and expenses charged to the Scheme**

**a) AMC Fees:** For management of the Scheme, the Investment Manager will charge a fee not exceeding 1.25% of the average daily net assets of the Scheme. However, the Investment Manager may charge the same within the overall limits prescribed by SEBI (MF) Regulation. In future, the Investment Manager may modify the fee within the limits specified in the Regulations and disclosed in the Scheme Information Document of the Scheme.

For the Scheme, the Investment Manager will charge a total scheme recurring expenses of not exceeding 2.25% of the daily average net assets of the Scheme, within the overall limit prescribed by SEBI (MF) Regulation.

**b) Trusteeship Fees:** The Trustees shall be entitled to charge a trusteeship fee of 0.05% of the Net Assets of the Scheme, to meet the expenses and contingencies.

In accordance with SEBI (MF) Regulations, 1996, the repurchase price will not be lower than 93% of the NAV and the sale price will not be higher than 107% of the NAV, and that

Standard Observation: 17 (b)
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the difference between the repurchase price and the sale price shall not exceed 7% calculated on the sale price.

The investors will be advised of the change in the Load structure by the AMC through an Addendum attached to the Scheme Information Document as well as a public notice shall be given 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. Such Addendum will be sent along with the Newsletter to the investors periodically. The AMC will also inform the investor service centres, Branch Offices/Distributors/Brokers/Intermediaries etc. of any change in the load structure. The latest modification in the load structure whether by way of Exit Load or CDSC will be stamped in the acknowledgment slip issued to the investor on submission of the Application Form and will also be disclosed in the Statement of Accounts issued after introduction of such load / CDSC. Also, the AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. Any change in the Load Structure, including CDSC (if any), shall be applicable for prospective investments only.

Standard Observation: 16 (i),(ii),(iii),(iv),(v)

Standard Observation: 8

**c) New fund offer expenses:**

The initial issue expenses associated with the launch of this Scheme will be borne by the Investment Manager.

**d) Annual Scheme Recurring Expenses:**

Particulars	% of Net Assets
Investment Management and Advisory Fee	1.25
Service Tax	0.13
Custodial Fees	0.02
Registrar and Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.10
Marketing and Selling Expenses including Agents Commission and statutory advertisement	0.08
Brokerage and Transaction Cost pertaining to the distribution of units	0.55
Audit Fees / Fees and expenses of trustees	0.05
Costs related to investor communications (Printing and Mailing)	0.03
Costs of fund transfer from location to location (Bank Charges)	0.02
Other Expenses	0.02

<b>Total Recurring Expenses</b>	<b>2.25</b>
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These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations.

As per the Regulation 52, the investment management fee and total annual scheme recurring expenses chargeable to the Scheme are as under:

- On the first Rs.100 Crore of the average weekly net assets - 2.25%
- On the next Rs.300 Crore of the average weekly net assets - 2.00%
- On the next Rs.300 Crore of the average weekly net assets – 1.75%
- On the balance of the assets – 1.50%

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) there under or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) there under and affect the interests of unit holders is carried out unless:

- A written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- **The unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load**

**G) HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

Standard Observation: 9
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Benchmark Index: CRISIL Short Term Bond Fund Index + Price of Gold (neutral allocation: 65:35)

As approved by the Board of Directors/Trustees, CRISIL Short Term Bond Fund Index is the Benchmark for the Debt part of the portfolio consisting of Debt and Money Market Instruments. Price of Gold as per SEBI Regulations for Gold ETFs in India is the Benchmark for Gold and Gold related instruments. The Composition of the Index for Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund, therefore, would be in the ratio of asset allocation i.e., 65% - CRISIL Short Term Bond Fund Index & 35% - Price of Gold as stated above. Any change in the Benchmark Index for the Scheme would be actuated only post approval from Board of Directors/Trustees.

**H) WHO MANAGES THE SCHEME?**

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**Ritesh Jain – Head – Fixed Income, Age: 34**

A Masters in Business Economics from Indore University, Ritesh has over 11 years experience in the Fixed Income markets and Asset Management. Ritesh started work

with IDBI Bank where he worked as Manager, Treasury between 1998 and 2001. He subsequently moved to Kotak Mahindra AMC as Fund Manager on the Fixed Income side where he became Head of Fixed Income in 2007. Ritesh managed about Rs. 20,000 Crores of Fixed Income AuM at Kotak Mahindra AMC. At Canara Robeco, Ritesh leads the Fixed Income team and oversees Fund Management.

Mr. Ritesh Jain also manages Canara Robeco Liquid, Canara Robeco Treasury Advantage Fund, Canara Robeco Dynamic Bond Fund, Canara Robeco Income and Canara Robeco Gilt PGS.

**I) WHAT ARE THE INVESTMENT RESTRICTIONS?**

Pursuant to the "SEBI Regulations", the following investment and other limitations are presently applicable to the Scheme, as the case maybe:

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Observation:  
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1. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities provided that a mutual fund may engage in short selling of securities in accordance with the frame work relating to short selling and securities lending and borrowing specified by the board. Provided further that the mutual fund may enter into derivatives transactions in a recognised stock exchange, in accordance with the guidelines issued by the Board. Provided further that the sale of government securities already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
2. The securities purchased by the Fund shall be got transferred in the name of the Mutual Fund on account of the concerned Scheme, wherever investments are intended to be of long term nature.
3. The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company, provided that such limit shall not be applicable for investments in Government Securities and Money Market Instruments.  
  
Provided further that investment within such limit can be made in mortgage backed securitized debt which are rated not below investment grade by a credit rating agency registered with the Board.
4. The Scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of NAV of the Scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of Asset Management Company.
5. The above restrictions are applicable for all Debentures irrespective of any residual maturity period (above or below one year).
6. The Scheme shall not invest more than thirty percent of its net assets in money market instruments of an issuer: Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

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Observation  
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7. The Scheme shall not advance any loan for any purpose.
8. The Scheme shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with prior approval of the trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposit (will not apply to term deposits placed as margins for trading in cash and derivatives market)
9. Investment in other Schemes : The investment by this Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which :

- The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.

Standard Observation: 1
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- The Scheme shall not make any investment in any fund of fund scheme

10. The Scheme shall not make any investment in:

- Any unlisted security of an associate or group company of the sponsor; or
- Any security issued by way of private placement by an associate or group company of the sponsor; or
- The listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

11. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of redemption of units or payment of interest and dividend to the unit holders, provided that the fund shall not borrow more than 20% of the net assets of the individual scheme and the duration of the borrowing shall not exceed a period of 6 months.

12. The AMC may invest in the Scheme either in the initial offer or subsequently. However, it shall not charge any investment management fee on such amounts invested by it.

13. 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.

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

The Trustee of the Mutual Fund may alter these limitations / objectives from time to time to the extent the SEBI Regulations change so as to permit the Scheme to make its investments in the full spectrum of permitted investments for the mutual fund in order to achieve its

investment objectives. All investments of the Scheme will be made in accordance with the SEBI Regulations, including Seventh Schedule thereof.

**J) HOW HAS THE SCHEME PERFORMED?**

The Scheme being offered under this Scheme Information Document is a new scheme and currently does not have any performance track record.

**III. UNITS AND OFFER**

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

**A. NEW FUND OFFER (NFO)**

<p>New Fund Offer Period</p> <p>This is the period during which a new scheme sells its units to the investors.</p>	<p><b>NFO opens on:</b></p> <p><b>NFO closes on:</b></p> <p><i>(The Trustee reserves the right to extend the closing date, subject to the condition that the New Fund Offer shall not be kept open for more than 30 days. Any such extension shall be announced by way of a notice in one national newspaper)</i></p>
<p>New Fund Offer Price:</p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>Face Value of Rs. 10</p>
<p>Minimum Amount for Application in the NFO</p>	<p><u>I. Lump sum Investment</u></p> <p>Minimum amount: Rs. 5,000.00 and multiples of Re.1.00 thereafter.</p> <p>Subsequent purchases: Minimum amount of Rs. 1000.00 and multiples of Re. 1.00 thereafter.</p> <p><u>II. Systematic Investment Plan</u></p> <p>Minimum instalment amount - Rs. 1,000.00 and Rs 2,000.00 respectively for Monthly and Quarterly frequency respectively and in multiples of Re 1.00 thereafter.</p> <p>The dates for the Auto Debit Facility shall be on the 1st or 5th or 15th or 20<sup>th</sup> or 25th of every month /quarter. In case, the date fixed happens to be a holiday / non-business day, the same shall be effected on the next business day. No Post Dated cheques would be accepted for SIP during the NFO.</p>
<p>Minimum Target amount</p>	<p>Rs. 1.00 Crore (Rs. One Crore).</p>

	<p>(This is the minimum amount required to operate the Scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 6 weeks, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of six weeks from the date of closure of the subscription period.)</p>
Options	<p>The Scheme will have following options –</p> <ol style="list-style-type: none"> <li>1) Growth Option,</li> <li>2) Quarterly Dividend Option (Payout &amp; Reinvestment)</li> </ol> <p><b>Default Option:</b></p> <p>(a) In case of valid applications received without indicating any choice of options, it will be considered as option for Growth Option and processed accordingly.</p> <p>(b) In case of valid applications received without indicating any choice of options under the Dividend Option, it will be considered as option for Quarterly Dividend Reinvestment Facility and processed accordingly.</p>
Dividend Policy	<p>The Scheme may distribute, surplus if any, by way of dividend/, as may be decided by the Trustees from time to time. <b>If there is no distributable surplus or surplus amount is too small for distribution, in the opinion of the Trustees, the Dividend declaration may not take place.</b></p> <p><b>The Scheme is not assuring or guaranteeing any dividend or returns.</b></p> <p>Income Distribution, if declared, warrants will be issued within 30 days from the date of declaration of Income Distribution. The Income Distribution will be paid out of the Net surplus of the Scheme, to those unit holders whose names appear in the register of unit holders on the date to be notified for the purpose. Pursuant to payment of dividend, the NAV of the dividend option of the Scheme would fall to the extent of payout and statutory levy (if applicable)</p> <p>If AMC fails to pay the amount within 30 days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 30 days till the date of dispatch of the dividend.</p> <p><b>Dividend Reinvestment</b></p>

	<p>The unit holders have the option to reinvest the Dividend declared by the Scheme. Such unit holders opting to reinvest the dividend receivable by them shall invest in additional units of the Scheme. Upon exercising such option, the dividend due and payable to the unit holders will be compulsorily and without any further act by the unit holders reinvested in the Scheme.</p> <p>The dividends so reinvested shall be constructive payment of dividends to the unit holders and constructive receipt of the same amount from each unit holder, for reinvestment in units.</p> <p>On reinvestment of dividends, the number of units to the credit of unit holder will increase to the extent of the dividend reinvested divided by the first 'Ex-income Distribution NAV' on the day of reinvestment as explained above.</p>
Allotment	<p>Allotment of Units to the eligible applicants under the Scheme who comply with the terms of the Scheme.</p> <p>Allotment of units will be made to all the applicants provided the applications are complete in all respects. [Fractional units will be allotted up to four decimals]. However, acceptance of application and allotment of units /fractional units will be at the absolute discretion of the Trustees and the application can be rejected without assigning any reason whatsoever.</p> <p>Investors will be issued with a Statement of Account evidencing allotment of units and such statement will be dispatched within 30 days from the date of closure of the New Fund Offer.</p>
Refund	<p>If application is rejected, full amount will be refunded within 6 weeks of closure of NFO. If refunded later than 6 weeks, interest @ 15% p.a. for delay period will be paid and charged to the AMC.</p> <p>In the event of Applications not being complete in all respects and the consequent non allotment, the Scheme will refund the Application Money to the applicant(s), by Post and by way of Cheque or Demand Draft marked 'A/c Payee'.</p>
<p>Who can invest</p> <p>This is an indicative list and you are requested to consult your financial</p>	<ul style="list-style-type: none"> <li>• Adult Individual(s) and also minor(s) through their parent/guardian. (Application of minors jointly with adults not allowed).</li> <li>• Adult Individual(s) jointly not exceeding three, on first</li> </ul>

<p>advisor to ascertain whether the Scheme is suitable to your risk profile.</p>	<p>holder or survivor/s basis.</p> <ul style="list-style-type: none"> <li>• Hindu Undivided Family (HUF)</li> <li>• Partnership Firms</li> <li>• A Company as defined in the Companies Act, 1956, Public Sector Undertakings.</li> <li>• A Body Corporate established by or under any law in force in India.</li> <li>• A Co-operative Society registered under any law relating to Co-operative Societies in India.</li> <li>• A Religious or Charitable Trust / Wakfs or a Society established under the relevant laws and authorized to invest in Mutual Fund Schemes.</li> <li>• FIIs registered with SEBI.</li> <li>• Banks and Financial Institutions.</li> <li>• Pension Funds/Pension Fund Managers.</li> <li>• Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) on repatriation / non-repatriation basis.</li> <li>• Army, Air, Navy and other para-military units and bodies created by such institutions. Scientific and Industrial Research Organizations.</li> <li>• Multilateral Funding Agencies / Body Corporates incorporated outside India with the permission of Government of India / Reserve Bank of India</li> <li>• Other Schemes of the Mutual Fund subject to the conditions and limits prescribed under SEBI Regulations.</li> <li>• Any other category of investors that may be permitted by the Trustees as per the Indian Laws in future.</li> <li>• NRIs and PIOs</li> </ul>
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Where can you submit the filled up applications.	<p><b>M/s. Computer Age Management Services Pvt. Ltd.</b>  178/10 K. H. Road, Opp. Palmgrove Hotel  Nungambakkam, Chennai 600 034  Tel No. (044) 39115574, 39115583  Email : enq_n@camsonline.com</p> <p>The applications forms during the NFO may be submitted to the Investor Services Centers of <b>Computer Age Management Services Pvt. Ltd.</b> or Sales Offices of the AMC.</p>
How to Apply	<p>Please Refer the SAI and Application Form for the instructions</p> <p><b>Please note that it is mandatory for unit holders to:</b></p> <p><b>1. Mention their bank account numbers in their application for purchase of units and redemption requests.</b></p> <p>2. Mention their Permanent Account Number (PAN) in their application</p>
Listing	<p>As the repurchase facility is provided on an ongoing basis, at NAV related prices, the units of the Scheme are not going to be listed on any Stock Exchanges.</p>
Restrictions, if any, on the right to freely retain or dispose of units being offered.	<p>The AMC reserves the right to reject the subscription/ application for units of the Scheme during NFO, depending on the prevailing market conditions and to protect the interest of the Investors. Investors may, however, offer the units for repurchase any time and such repurchases are subject to exit load and subject to restrictions on repurchase mentioned elsewhere in this document. Trustees shall approve such restrictions which shall be intimated to SEBI and shall be notified to all unit holders by publishing the same 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.</p> <p><b>Pledge of Units</b></p> <p>The Units under the Scheme may be offered as security by way of a pledge / charge in favour of a scheduled bank, financial institution, non-banking finance company (NBFC), or any other body for obtaining loans. The AMC shall mark a lien on receiving the duly completed documents as it may specify in this regard. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Fund assumes</p>

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	<p>no responsibility thereof.</p> <p>The Pledger will not be able to redeem the pledged units until the Pledgee provides a written authorization to the Fund that the lien /charge may be removed. During the currency of the pledge, the Pledgee will have complete authority to redeem such Units. Dividends declared on Units under lien will be paid to the credit of / re-invested in the name of the unit Holder and will be sent to the Pledgee, unless otherwise specified in the lien letter.</p> <p><b>Lien on Units</b></p> <p>On an ongoing basis, whenever existing or new Investors make subscriptions, the Fund will have lien on the allotted units and such units shall not be available for redemption until the subscription amount is realised by the Fund. In case a unit holder redeems units soon after making purchase, the redemption cheque will not be dispatched until the cheque /draft tendered towards subscription has been cleared. In case of dishonour of payment by the bank, the transaction shall be reversed and the units allotted earlier shall be cancelled, and a fresh Account Statement evidencing such cancellation shall be dispatched to the Unit holder. For NRIs, the Fund may mark a lien on the units and will not permit redemptions unless requisite documents as specified in SID are submitted. The AMC reserves the right to change operational guidelines for lien on units from time to time.</p>
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## B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period</p> <p>This is the date from which the Scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>W.e.f. ____ (date) or within ____ days of the date of Closure of the NFO.</p>
<p>Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you need to pay for purchase/switch-in.</p>	<p>At the applicable NAV</p>
<p>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</p> <p>This is the price you will receive for redemptions/switch outs.</p>	<p>At the applicable NAV subject to prevailing exit loads.</p> <p><i>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:Rs. 10* (1-0.02) = Rs. 9.80</i></p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>a) For applications received up to 3 p.m., same day's closing NAV shall be applicable.</p> <p>b) For applications received after 3 p.m., closing NAV of the next business day shall be applicable.</p> <p><i>c)For applications received with outstation instruments not payable at par at the place of receipt, closing NAV of the day of realization of the instruments shall be applicable</i></p> <p><b>For applications with amount equal to or more than Rs.1.00 crore, irrespective of the time of receipt of application, the closing NAV of the day on which the funds are available for utilization shall be applicable.</b></p>
<p>Where can the applications for purchase/redemption switches are submitted?</p>	<p>The details of official points of acceptance, Sales Offices of the AMC etc. are mentioned on back cover page.</p>

<p>Minimum amount for additional purchase /redemption.</p> <p>Fresh purchases/switches</p>	<p>Minimum amount: Rs. 5,000.00 and multiples of Re.1.00 thereafter.</p> <p>Subsequent purchases: Minimum amount of Rs. 1000.00 and multiples of Re. 1.00 thereafter.</p>										
<p>Minimum balance to be maintained and consequences of non maintenance.</p>	<p>100 units</p> <p>If any investor submits a partial redemption request by virtue of that the minimum balance of units is falling below 100 units, in such cases all the units will be redeemed by default and total redemption amount will be paid to the investors.</p>										
<p>Facilities available</p>	<p><b><u>I. Systematic Investment Plan (SIP)</u></b></p> <p>Systematic Investment Plan is a simple and time honoured investment strategy aiding disciplined investing over a period of time. The Investment option enables investors to transfer a fixed sum of money in a particular scheme at regular intervals to another scheme.</p> <table border="1" data-bbox="565 831 1331 1919"> <tr> <td data-bbox="565 831 951 989"> <p>Quarterly SIP</p> <p>Minimum amount per SIP instalment Under Quarterly SIP</p> </td> <td data-bbox="959 831 1331 989"> <p>Rs. 2,000.00 and multiple of Re. 1.00 thereafter.</p> </td> </tr> <tr> <td data-bbox="565 999 951 1356"> <p>Monthly SIP</p> <p>Minimum amount per SIP instalment Under Monthly SIP</p> <p>No. of SIP Instalments</p> <p style="padding-left: 40px;">a) Minimum</p> <p style="padding-left: 40px;">b) Maximum</p> </td> <td data-bbox="959 999 1331 1356"> <p>Rs. 1,000.00 and multiple of Re. 1.00 thereafter.</p> <p>Six instalments</p> <p>No Limit</p> <p>Six Months</p> <p>No maximum Period</p> </td> </tr> <tr> <td data-bbox="565 1367 951 1430"> <p>Periodicity</p> </td> <td data-bbox="959 1367 1331 1430"> <p>Monthly/Quarterly</p> </td> </tr> <tr> <td data-bbox="565 1440 951 1724"> <p>The facility can be exercised on</p> </td> <td data-bbox="959 1440 1331 1724"> <p>1st or 5th or 15th or 20<sup>th</sup> or 25th (In case, the date fixed happens to be a holiday / non-business day, the cheques shall be deposited / Auto Debit Facility will be effected on the next business day.)</p> </td> </tr> <tr> <td data-bbox="565 1734 951 1919"> <p>Applicable NAV and Cut-off time</p> </td> <td data-bbox="959 1734 1331 1919"> <p>For applications received before 3 p.m., closing NAV of the current business day shall be applicable. For applications received after 3 p.m., closing</p> </td> </tr> </table>	<p>Quarterly SIP</p> <p>Minimum amount per SIP instalment Under Quarterly SIP</p>	<p>Rs. 2,000.00 and multiple of Re. 1.00 thereafter.</p>	<p>Monthly SIP</p> <p>Minimum amount per SIP instalment Under Monthly SIP</p> <p>No. of SIP Instalments</p> <p style="padding-left: 40px;">a) Minimum</p> <p style="padding-left: 40px;">b) Maximum</p>	<p>Rs. 1,000.00 and multiple of Re. 1.00 thereafter.</p> <p>Six instalments</p> <p>No Limit</p> <p>Six Months</p> <p>No maximum Period</p>	<p>Periodicity</p>	<p>Monthly/Quarterly</p>	<p>The facility can be exercised on</p>	<p>1st or 5th or 15th or 20<sup>th</sup> or 25th (In case, the date fixed happens to be a holiday / non-business day, the cheques shall be deposited / Auto Debit Facility will be effected on the next business day.)</p>	<p>Applicable NAV and Cut-off time</p>	<p>For applications received before 3 p.m., closing NAV of the current business day shall be applicable. For applications received after 3 p.m., closing</p>
<p>Quarterly SIP</p> <p>Minimum amount per SIP instalment Under Quarterly SIP</p>	<p>Rs. 2,000.00 and multiple of Re. 1.00 thereafter.</p>										
<p>Monthly SIP</p> <p>Minimum amount per SIP instalment Under Monthly SIP</p> <p>No. of SIP Instalments</p> <p style="padding-left: 40px;">a) Minimum</p> <p style="padding-left: 40px;">b) Maximum</p>	<p>Rs. 1,000.00 and multiple of Re. 1.00 thereafter.</p> <p>Six instalments</p> <p>No Limit</p> <p>Six Months</p> <p>No maximum Period</p>										
<p>Periodicity</p>	<p>Monthly/Quarterly</p>										
<p>The facility can be exercised on</p>	<p>1st or 5th or 15th or 20<sup>th</sup> or 25th (In case, the date fixed happens to be a holiday / non-business day, the cheques shall be deposited / Auto Debit Facility will be effected on the next business day.)</p>										
<p>Applicable NAV and Cut-off time</p>	<p>For applications received before 3 p.m., closing NAV of the current business day shall be applicable. For applications received after 3 p.m., closing</p>										

NAV of the next business day shall be applicable
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**II. Systematic Transfer Plan (STP):**

STP is a facility wherein a unit holder of a Canara Robeco Mutual Fund scheme can opt to transfer a fixed amount at regular intervals to another scheme of Canara Robeco Mutual Fund. The amount transferred under the STP from the Transferor scheme to the Transferee scheme, shall be effected by redeeming units of Transferor scheme and subscribing to the units of the Transferee scheme.

The features of Systematic Transfer Plan are as under:

Minimum amount per STP instalment Under Monthly STP	Rs. 1,000.00 and multiple of Re. 1.00 thereafter.
Minimum amount per STP instalment Under Quarterly STP	Rs. 2,000.00 and multiple of Re. 1.00 thereafter.
No. of STP Instalments	
a) Minimum	Six instalments
b) Maximum	No Limit
Periodicity	Monthly/Quarterly
Facility can be exercised on	1 <sup>st</sup> or 5 <sup>th</sup> or 15 <sup>th</sup> or 20 <sup>th</sup> or 25 <sup>th</sup> of every month/quarter. (In case, the date fixed happens to be a holiday / non-business day, the cheques shall be deposited / Auto Debit Facility will be affected on the next business day.)
Applicable NAV and Cut-off time	For applications received before 3 p.m., closing NAV of the current business day shall be applicable. For applications received after 3 p.m., closing NAV of the next business day shall be applicable

**III. Systematic Withdrawal Plan (SWP):**

Investors can use the SWP facility for regular inflows. Withdrawals

can be made by informing the AMC or Registrar of the specified withdrawal dates and minimum amount as per the table below. The amount will be converted into units at the applicable repurchase price on that date and will be subtracted from the units with the unit holder. The AMC may close a unit holder's account if the balance falls below the specified minimum amount for the Scheme. Unit holders may change the amount indicated in the SWP, subject to the minimum amount specified. The SWP may be terminated on written notice from the unit holder and it will terminate automatically when all the units of the unit holder are liquidated or withdrawn from the account.

The features of Systematic Withdrawal Plan (SWP) are as under:

Minimum amount per SWP instalment under Monthly SWP	Rs. 1,000.00 and multiple of Re. 1.00 thereafter.
Minimum amount per SWP instalment under Quarterly SWP	Rs. 2,000.00 and multiple of Re. 1.00 thereafter.
No. of SWP Instalments a) Minimum b) Maximum	Six instalments No Limit
Periodicity	Monthly/Quarterly
Dates available for SWP Facility	01 <sup>st</sup> or 5 <sup>th</sup> or 15 <sup>th</sup> or 20 <sup>th</sup> or 25 <sup>th</sup> of every month /quarter.
Applicable NAV and Cut-off time	For applications received before 3 p.m., closing NAV of the current business day shall be applicable. For applications received after 3 p.m., closing NAV of the next business day shall be applicable

**Accounts Statements**

**For normal transactions (other than SIP/STP) during ongoing sales and repurchase:**

- The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement specifying the number of units allotted within 10 working days as per SEBI regulations.
- For those unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail.

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	<ul style="list-style-type: none"> <li>The unit holder may request for a physical account statement by writing/calling the AMC/ISC/R&amp;T.</li> </ul> <p><b>For SIP / STP transactions:</b></p> <ul style="list-style-type: none"> <li>Account Statement for SIP and STP will be despatched once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter.</li> <li>A soft copy of the Account Statement shall be mailed to the investors under SIP/STP to their e-mail address on a monthly basis, if so mandated.</li> <li>However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer.</li> <li>In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP) to the investors within 5 working days from the receipt of such request without any charges.</li> </ul> <p><b>Annual Account Statement:</b></p> <ul style="list-style-type: none"> <li>The Mutual Funds shall provide the Account Statement to the unit holders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement,</li> <li>The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.</li> </ul> <p>Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.</p>
Dividend	The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unit holders within 10 working days from the date of redemption or repurchase.
Delay in payment of redemption / repurchase proceeds	The Asset Management Company shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

### C. PERIODIC DISCLOSURES

<p>Net Asset Value</p> <p>This is the value per unit of the Scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The Mutual Fund shall declare the Net asset value of the Scheme on every business day on AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by the time limit for uploading NAV as per applicable guidelines and also on <a href="http://www.canararobeco.com">www.canararobeco.com</a>.</p> <p>The NAV calculated as above and Sale/Repurchase rates of units will be published in two news papers on a daily basis, by way of press release / advertisement. In addition, the NAV, Sale and Repurchase rates for all business days will be available at our Branch Offices.</p>		
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>Before expiry of one month from the close of each half year that is on 31<sup>st</sup> March and 30<sup>th</sup> Sept, the Mutual Fund shall publish its un-audited financial results in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>These shall also be displayed on the web site of the Mutual Fund and that of AMFI. Full portfolio in the prescribed format shall also be disclosed either by publishing it in the newspaper or by sending to the unit holders within one month from the end of each half year and it shall also be displayed on the web site of the Mutual Fund.</p>		
<p>Half Yearly Results</p>	<p>Before expiry of one month from the close of each half year that is on 31<sup>st</sup> March and 30<sup>th</sup> Sept, the Mutual Fund shall publish its un-audited financial results in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the Mutual Fund is situated.</p>		
<p>Portfolio Disclosure</p>	<p>As per SEBI Circular No. 15/157701/2009, the AMC shall disclose the portfolio as per the prescribed format on a monthly basis on the website.</p>		
<p>Annual Report</p>	<p>An abridged Scheme-wise annual report shall be mailed to all unit holders not later than four months from the date of closure of the relevant accounting year and the full annual report shall be made available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the unit holders on request on payment of nominal fees, if any.</p>		
<p>Associate Transactions</p>	<p>Please refer to Statement of Additional Information (SAI).</p>		
<p>Taxation</p>		<p>Investors</p>	<p>Mutual Fund</p>



#### **IV. FEES AND EXPENSES**

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

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

The New Fund Offer Expenses will be borne by the AMC.

##### **B. ANNUAL SCHEME RECURRING EXPENSES**

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

<b>Particulars</b>	<b>% of Net Assets</b>
Investment Management and Advisory Fee	1.25
Service Tax	0.13
Custodial Fees	0.02
Registrar and Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.10
Marketing and Selling Expenses including Agents Commission and statutory advertisement	0.08
Brokerage and Transaction Cost pertaining to the distribution of units	0.55
Audit Fees / Fees and expenses of trustees	0.05
Costs related to investor communications (Printing and Mailing)	0.03
Costs of fund transfer from location to location (Bank Charges)	0.02
Other Expenses	0.02
<b>Total Recurring Expenses</b>	<b>2.25</b>

**For actual expenses being charged to the Scheme, kindly refer to website – [www.canararobeco.com](http://www.canararobeco.com)**

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations

As per the Regulation 52, the investment management fee and total annual scheme recurring expenses chargeable to the Scheme are as under:

- On the first Rs.100 Crore of the average weekly net assets - 2.25%
- On the next Rs.300 Crore of the average weekly net assets - 2.00%
- On the next Rs.300 Crore of the average weekly net assets – 1.75%
- On the balance of the assets – 1.50%

### C. LOAD STRUCTURE

*Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC ([www.canararobeco.com](http://www.canararobeco.com)) or may call at (1800 209 2726) or your distributor.*

For Canara Robeco InDiGo (INcome from Debt Instruments & GOld) Fund, the following load structure shall be applicable.

#### Entry Load -

- Nil. The Upfront commission will be paid by the investors to their Investment Advisors/Brokers.

#### Exit Load/ Switch-over load

- 0.5% if redeemed / switched-out in less than or equal to 6 months from the date of allotment.
- Nil if redeemed or switched out after 6 months from the date of allotment
- 

CDSC - Nil

Of the exit load or CDSC charged to the investor, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which can be used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Any balance shall be credited to the Scheme immediately.

The distributors shall 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.

Any change in load structure, including CDSC (if any), shall be applicable for prospective investments only. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

## V. RIGHTS OF UNITHOLDERS

*Please refer to SAI for details.*

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

Standard  
Observation:  
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1. During the last three years, neither SEBI nor any other Regulatory body has awarded any penalty under SEBI Act or Regulations and there is no enquiry or adjudication proceeding/s, that are in progress against the Sponsors or any company associated with the Sponsors in any capacity including the AMC, the Board of Trustees or any of the Directors or key personnel of the AMC under the SEBI Act or any other Regulations. In addition, no penalties have been awarded for any economic offences and violation of securities laws.
2. (a) The Mutual Fund is defending and / or filed cases in the Special Court constituted under the Special Court (Trial of Offences relating to transactions in Securities) Act, 1992 in respect of the claims arising out of scam related transactions. The Mutual Fund has taken necessary steps as legally advised.

(b) Writ Petitions have been filed before the Hon'ble Mumbai High Court and Hon'ble Kolkata High Court, for direction to prohibit Canara Robeco Mutual Fund from converting the close ended Cantriple+ Scheme into open ended and for direction regarding payment of three times the original investment. Cases are also pending before various Consumer Foras claiming three times the investment in Cantriple+ Scheme. The cases are at various stages of hearing. The Mutual Fund has taken necessary steps as legally advised.

(c) There are about 65 consumer cases (including appeals) filed by various parties against the Mutual Fund in respect of the various schemes of the Mutual Fund, which are pending.

In respect of the cases mentioned above, the Mutual Fund / Investment Manager will abide by the final decision of the courts.

3. A criminal complaint was filed by Mr. Dilip Cheriwal before the First Class Judicial Magistrate, Patna against Canara Robeco Mutual Fund and four of the then Trustees respectively concerning Cantriple+ Scheme. The case is being defended as legally advised.

Save and except what is stated above, no criminal cases are pending against the Sponsors, any company associated with the Sponsors in any capacity, AMC, Board of Trustees, any of the Directors or key personnel. The Sponsors, Canara Bank, has over 2700 branches and Robeco Groep N V has several offices across the world. To the best of our knowledge and belief, no criminal cases which may affect the business of Mutual Fund are pending against the Sponsors or any company associated with the Sponsors in any capacity or any of the Directors or key personnel.

### **IMPORTANT NOTICE**

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

**Trustees have approved the said scheme and have guaranteed the same to be a new scheme.**

Standard  
Observation:  
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## SALES OFFICES

**Ahmadabad** – Tower A, Unit No: 402/B, 4th Floor, Ganesh Plaza, Opp. Navrangpura Bus Stand, Off. C. G. Road, Ahmadabad – 380009; **Bangalore** – 4&5, Ground Floor, Business Point , Next to Brigade Towers, 137, Brigade Road, Bangalore – 560025; **Bhopal** – Kay Kay Business Centre, 1st Floor, 133 Zone 1, M. P. Nagar, Bhopal – 462011; **Chandigarh** – SCO 333-334, 1st Floor, Sector 35B, Chandigarh – 160022; **Chennai** – 770-A, 1st Floor, Spencer Annexe, Anna Salai, Chennai – 600002; **Coimbatore** – Door No. A/1, Thiruvenkataswamy Road (East), R. S. Puram, Coimbatore – 641012; **Delhi** – 306, Kanchen Junga Building, 18, Barakamba Road, Delhi – 110001; **Goa** – Shop No. 3, Kamat Chamber, Opp. Hotel Neptune, Panjim, Goa – 403001; **Hyderabad** – Flat No: 201-202, IInd Floor, Sanatana Eternal, Door No: 3-6-108/1, Road No. 19, Himayat Nagar, Hyderabad – 500029; **Indore** – Bansi Trade Centre, 107, 1st Floor, 581/5 M.G Road, Indore – 452001; **Kochi** – Door No. XL/6030, 1st Floor, Al-Falah Plaza, (Opposite to Oriental Bank of Commerce), Broadway North End, Kochi – 682031; **Kolkata** – 5th Floor, 57, Chowringhee Road, Kolkata – 700071; **Ludhiana** – Room No. 328, 3rd Floor, Ludhiana Stock Exchange Building, Feroz Gandhi Market, Ludhiana – 141001; **Mangalore** – 1st Floor, Essel Towers, Bunts Hostel Circle, Mangalore – 575003; **Mumbai** – Construction House, 4th Floor, 5, Walchand Hirachand Marg, Mumbai – 400001; **Nagpur** – Unit No. C/6, 4th Floor, Indu Yash II, 186 Cement Road, Dharampeth Extension, Nagpur – 400010; **Patna** – 401/402, Aashiana, Hariniwas, 4th Floor, Dak Bungalow Road, Patna – 800001; **Pune** – Deccan Mall, Office no - 2nd Floor, Deccan Gymkhana, Pune – 411004, **Surat** – Unit No .HG 1 & 2, Megharatna Complex, Near State Bank of India, Athugar Street, Nanpura, Surat – 395001; **Trichy** – Srinivasa Complex, No. 145/74 C, Salai Road, Thillainagar, Trichy – 620018; **Vadodara** – 116, Siddharth Complex, R.C. Dutt Road, Alkapuri, Vadodara – 390007; **Visakhapatnam** – Vidisha Towers, 47-14-10, Flat No.3, 3rd Floor, Dwarkanagar Main Road, Visakhapatnam – 530016.