cross asset, cross market

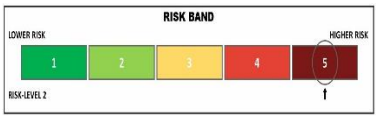
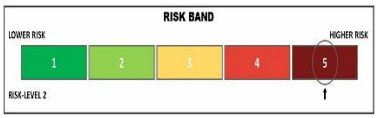
offered by quant mutual Fund

INVESTMENT STRATEGY INFORMATION DOCUMENT

SECTION I

qsif Equity Long-Short Fund (SO. 1)

(An open-ended equity investment strategy investing in listed equity and equity related instruments including limited short exposure in equity through derivative instruments.)

This product is suitable for investors who are seeking	**Risk-band*(SO. 3)**	**Benchmark Risk- band (as applicable)**
To generate long-term capital appreciation by investing in a diversified portfolio of equity and equity-related instruments while employing limited short exposure through derivatives to enhance returns and manage risk efficiently.	 **Risk band Level 5**	 **Risk band Level 5** NIFTY 500 Total Return Index (TRI)

*The Risk Band has been as specified by AMFI.
Product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the investment strategy characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Offer of units of Rs. 10 each for cash during the New Fund Offer and Continuous offer for Units at NAV based prices.

New Fund Offer Opens on:
New Fund Offer Closes on:
Investment strategy re-opens on: investment strategy will re-open for continuous Sale and Repurchase within 5 business days from the date of allotment of units under NFO

Name of SIF	:	qsif (offered by quant Mutual Fund)
Name of the Mutual Fund	:	quant Mutual Fund
Name of Asset Management Company	:	quant Money Managers Limited
Name of Trustee Company	:	quant Capital Trustee Limited
Address, Website of the entities (including SIF)	:	6th Floor, Sea Breeze Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025. http://qsif.com/

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

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of qsif, Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on http://qsif.com/

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

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

Investors are advised to note that investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. Please read all investment strategy related documents carefully before making the investment decision.

This Investment Strategy Information Document is dated August 06, 2025.

cross asset, cross market
offered by quant mutual Fund

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SECTION 1
PART I. HIGHLIGHTS/SUMMARY OF THE INVESTMENT STRATEGY

Sr. No.	Title	Description
I.	**Name of the Investment Strategy**	qsif Equity Long-Short Fund
II.	**Category of the Investment Strategy**	Equity Long-Short Fund
III.	**Type of Investment Strategy**	An open ended equity investment strategy investing in listed equity and equity related instruments including limited short exposure in equity through derivative instruments.
IV.	**Investment strategy code**	(To be disclosed after obtaining investment strategy code) **(SO. 7)**
V.	**Investment objective**	To generate long-term capital appreciation by investing in a diversified portfolio of equity and equity-related instruments while employing limited short exposure through derivatives to enhance returns and manage risk efficiently. There is no assurance that the investment objective of the Investment strategy will be achieved. **(SO. 5)**
VI.	**Liquidity/listing details**	Units of the Investment Strategy may be purchased or redeemed on all Business Days at NAV based prices subject to the prevailing load structure. Under normal circumstances the AMC shall dispatch the redemption proceeds within three working days from date of receipt of valid redemption request from the Unit holder The Investment Strategy being open ended, sale and repurchase is available on a continuous basis and therefore the Units of the Investment Strategy are presently not proposed to be listed on any stock exchange.
VII.	**Benchmark (Total Return Index)**	NIFTY 500 Total Return Index (TRI) **(SO. 25)** **Justification:** The NIFTY 500 TRI is an ideal benchmark for an equity long-short fund because it offers broad market representation, covering approximately 93% of India's listed equity market capitalization across large, mid, and small-cap stocks, aligning with the diverse investment universe of such funds. Its total return framework, accounting for both capital gains and dividends, accurately reflects the fund's potential returns, while its diversified sector exposure and balanced risk profile mirror the market-neutral strategies often employed by long-short funds. Widely accepted in India's financial industry, the NIFTY 500 TRI provides a stable and comprehensive baseline to evaluate whether the fund's active management generates alpha over the broader market.
VIII.	**Subscription frequency**	Daily (only Business Days)
IX.	**Redemption frequency**	Daily (only Business Days)

X.	**NAV disclosure**	The AMC will prominently calculate and disclose the first NAV under the Investment Strategy not later than 5 Business Days from the date of allotment.under the NFO The AMC will calculate and disclose the NAVs on all Business Days. The AMC shall update the NAVs on website of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day and shall also update the NAVs on the AMC SIF website http://qsif.com/NAV/historic-Nav-Details.aspx before 11.00 p.m. on every Business Day. **(SO. 41)** **Further Details in Section II.**
XI.	**Applicable timelines**	Time line for: **Dispatch of redemption proceeds**: 3 working days from the date of redemption or repurchase (under normal circumstances). Further, in exceptional situations additional timelines in line with AMFI letter no. AMFI/35P/MEM -COR/74/2022-23 dated January 16, 2023 will be applicable for transfer of redemption or repurchase proceeds to the unitholders. **Dispatch of IDCW (if applicable):** Within 7 working days from the record date.
XII.	**Plans and Options** Plans/Options and sub options under the Investment strategy	Investors are offered the following Investment Plan(s) to invest in the Investment strategy: Each Plan offers Regular Plan and Direct Plan. **i. Direct Plan:** Direct Plan is only for investors who purchase /subscribe Units in Investment strategy directly with the Fund and is not available for investors who route their investments through a Distributor. **ii. Regular Plan:** Regular Plan is available for all type of investors investing through a Distributor. All the plans will have common portfolio. **Options under each Plan(s)** – i. Growth ii. Income Distribution cum Capital Withdrawal (IDCW) (Payout and Re-investment Facility) **Default Plan Options –** - Between "Growth" or "IDCW " option, the default will be treated as "Growth". - In "IDCW" option between "IDCW Payout" or "IDCW Reinvestment", the default will be treated as "IDCW Reinvestment" For detailed disclosure on default plans and options, kindly refer SAI.
XIII.	**Load Structure**	Exit Load: 1% if redeemed/switched out on or before completion of 15 days from the date of allotment of units No Exit Load is payable if Units are redeemed / switched-out after 15 days from the date of allotment

<table>
<tr><td>XIV.</td><td>Minimum Application Amount/switch in</td><td>Minimum amount of investment during NFO and On an Ongoing basis under all Plans and Options:

• During NFO: Rs.10,00,000/- and in multiples of Re. 1/- thereafter
• On continuous basis: Rs.10,00,000/- and in multiples of Re. 1/- thereafter
• Minimum amount for accredited investor during NFO and Continuous basis: Rs.1,00,000/- and in multiples of Re. 1/- thereafter.

Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP) /Systematic Transfer Plan (STP) shall only commence upon re-opening of the Investment Strategy.

On continuous basis:
<table>
<tr><td>SIP</td><td>Rs. 10,000/- and in multiples of Re. 1 thereafter [Minimum 6 installments]</td></tr>
<tr><td>SWP</td><td>Rs. 10,000/- and in multiples of Re. 1 thereafter [Minimum 6 installments]</td></tr>
<tr><td>STP</td><td>Rs. 10,000/- and in multiples of Re. 1 thereafter [Minimum 6 installments]</td></tr>
</table>
The clauses on SWP and STP will be subject to compliance with provisions mentioned under “Minimum investment threshold” as stated under Clause “Minimum threshold requirement and consequences of non- maintenance” of this ISID.

Note:
Allotment of units will be done after deduction of applicable stamp duty.</td></tr>
<tr><td>XV.</td><td>Minimum Additional Purchase Amount</td><td>Rs. 10,000/- and in multiples of Re. 1/- thereafter</td></tr>
<tr><td>XVI.</td><td>Minimum Redemption/ switch out amount</td><td>Rs. 1,000/- and in multiples of Re. 1/- thereafter.

The redemption will be subject to compliance with provisions mentioned under “Minimum investment threshold” as stated under Clause “Minimum threshold requirement and consequences of non- maintenance” of this ISID.</td></tr>
<tr><td>XVII.</td><td>Notice Period</td><td>Not Applicable. This is an open-ended investment strategy.</td></tr>
<tr><td>XVIII.</td><td>New Fund Offer Period
This is the period during which a new investment strategy sells its units to the investors.</td><td>NFO Opens on:
NFO closes on:

Minimum duration to be 3 working days and will not be kept open for more than 15 days.

Any changes in dates will be published through notice on AMC SIF website i.e. http://qsif.com/ (SO. 34)</td></tr>
</table>

XIX.	**New Fund Offer Price:** This is the price per unit that the investors have to pay to invest during the NFO.	Rs. 10/- per unit
XX.	**Segregated portfolio/ side pocketing disclosure**	The AMC / Trustee shall decide on the creation of segregated portfolio of the Investment strategy in case of a credit event/actual default at issuer level. Accordingly, Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer. **(SO. 53)** **For Details, kindly refer SAI.**
XXI.	**Swing pricing disclosure**	Not Applicable. **(SO. 54)**
XXII.	**Stock lending/short selling**	**Stock Lending by the Investment Strategy** The Investment Strategy shall adhere to the following limits should it engage in Stock Lending: 1. Not more than 20% of the net assets of the Investment Strategy can generally be deployed in Stock Lending. 2. Not more than 5% of the net assets of the Investment Strategy can generally be deployed in Stock Lending to any single approved intermediary i.e the limit of 5% will be at broker level. **Short Selling by the Investment Strategy** The Investment Strategy may engage in short selling of securities in accordance with the framework relating to Short Selling as specified by SEBI. For Details, **kindly refer SAI**
XXIII.	**How to Apply (SO. 35)**	The Application forms are available at the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of Specialized Investment Fund or may be downloaded from the AMC SIF website. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Specialized Investment Fund is provided on the last **page of the ISID.** More Details in **section II.**

XXIV.	**Investor services**	**Contact details for general service requests:** Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at "022-6295 5005" from 09.00 am to 6.00 pm (Monday to Friday) or email – help.investor@qsif.com. **Contact details for complaint resolution:** Investors can write to: Ms. Sudha Biju, Chief Investor Relations Officer quant Money Managers Limited 6th Floor, Sea Breeze Building, Appasaheb Marathe Marg, Prabhadevi Mumbai - 400 025 Tel No. (Board):- 022-6295 5005 E-mail Id- help.investor@qsif.com For any grievances with respect to transactions through NSE/BSE, the investors/Unit Holders should approach the investor grievance cell of the stock exchange.
XXV.	**Specific attribute of the investment strategy (such as lock-in, duration in case of close ended investment strategies as applicable)**	None

XXVI.	**Special product/facility available during the NFO and on ongoing basis**	**Applications Supported by Blocked Amount (ASBA) facility** ASBA facility will be provided to the investors subscribing to NFO of the Investment Strategy. It shall co-exist with the existing process, wherein cheques / demand drafts are used as a mode of payment. Please refer ASBA application form for detailed instructions. **Stock Exchange Infrastructure Facility*:** The investors can subscribe to the Units of the Investment Strategy through Mutual Fund Service System ("MFSS") platform of National Stock Exchange and "BSEStAR MF" platform of Bombay Stock Exchange Ltd. **MF Utility (MFU)*:** Investor can also subscribe to the Units of the Investment Strategy through MFU which allows transacting in multiple Investment Strategies of various Specialized Investment Fund with a single form / transaction request and a single payment instrument / instruction. The list of Point of Services of MFUI is published on the website of MFUI at http://www.mfuindia.com/ and may be updated from time to time. Further, Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP) / Systematic Transfer Plan (STP) facilities would be available to the investors. For further details of above special products / facilities, investors/ unit holders are kindly requested to refer SAI. **RTA Facility* :** The investors can subscribe to the Units of the Investment Strategy through RTA's website i.e. www.kfintech.com/ and mobile application of RTA i.e. 'KFinKart'. **AMC SIF Website** The investors can subscribe to the Units of the Investment strategy through AMC SIF website i.e. http://qsif.com/ *If these are offered by the respective intermediaries and permitted by SEBI.
XXVII.	**Weblink**	TER for last 6 months, Daily TER and Investment strategy factsheet are not applicable as this is a new investment strategy.

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY (SO. 55)

It is confirmed that:

(i) The Investment Strategy Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) All legal requirements connected with the launching of the Investment strategy as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) The disclosures made in the Investment Strategy Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Investment Strategy.

(iv) The intermediaries named in the Investment Strategy Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

(v) The contents of the Investment Strategy Information Document including figures, data, yields etc. have been checked and are factually correct

(vi) A confirmation that the AMC has complied with the compliance checklist applicable for Investment Strategy Information Document other than cited deviations/ that there are no deviations from the regulations

(vii) Notwithstanding anything contained in this Investment Strategy Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable. **(SO. 63)**

(viii) The Trustees have ensured that the qsif Equity Long-Short Fund approved by them is a new product of qsif (offered by quant Mutual Fund) and is not a minor modification of any existing Investment Strategy.

Sd/-

Date: August 06, 2025
Place: Mumbai

Sandeep Tandon
Chief Executive Officer

PART II. INFORMATION ABOUT THE INVESTMENT STRATEGY

A. HOW WILL THE INVESTMENT STRATEGY ALLOCATE ITS ASSETS?

This includes asset allocation table giving the broad classification of assets and indicative exposure level in percentage terms. The asset allocation should be consistent with the investment objective of the Investment Strategy and SEBI circular on Regulatory framework for Specialized Investment Funds (SIF).

Under normal circumstances, asset allocation will be as follows:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Investment in equity and equity related instruments (including unhedged short exposure mentioned below)	80	100
Investments in Debt & Money Market Instruments (SO.	0	20
Investments in ReITS and InVITS	0	20

In accordance with the clause 3.2 and 6.1.5 of the SEBI Circular Regulatory framework for Specialized Investment Funds ('SIF') dated February 27, 2025 clause 12.24.1 of the SEBI Master Circular for Mutual Funds ('Master Circular') dated June 27, 2024, the cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time should not exceed 100% of the net assets of the investment strategy. **(SO. 17)**

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars) . **(SO. 18)**

Sl. no	Type of Instrument	Percentage of exposure	Circular references
1.	Securities Lending	The Investment strategy shall adhere to the following limits should it engage in Stock Lending: 1.Not more than 20% of the net assets of the Investment strategy can generally be deployed in Stock Lending. 2.Not more than 5% of the net assets of the Investment strategy can generally be deployed in Stock Lending to any single approved intermediary i.e the limit of 5% will be at broker level.	Clause 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024
2.	Derivatives for non-hedging and other than for portfolio rebalancing purposes **(SO. 19)** **(SO. 20)**	Long: Upto 50% Unhedged Short Exposure: Upto 25%	Clause 12.24 & 12.25 of SEBI Master Circular dated June 27, 2024 Clause 3 of SEBI Circular dated February 27, 2025 on Regulatory Framework for Specialized Investment Funds ('SIF')
3.	Securitized Debt	Upto 10% of the debt portion of the investment strategy	Clause 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024
4.	Overseas Securities **(SO. 15)**	Upto 20% of the net assets of the Investment strategy	Clause 12.19 of the SEBI Master circular on Mutual Funds dated June 27, 2024

5.	ReITS and InVITS	Upto 20% of the net assets of the Investment strategy and not more than 10 per cent of its NAV in the units of REIT and InvIT issued by a single issuer	Clause 13 in the Seventh Schedule and Regulation 49AA of SEBI (Mutual Funds) Regulations, 1996
6.	Debt Instruments having Structured Obligation (SO rating) and / or Credit Enhancements (CE rating) and Debt Instruments with special features i.e. Additional Tier I (AT1)/ Perpetual Bonds and Tier 2 Bonds	Upto 10% of debt portfolio of the Investment strategy	Clause 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024
7.	Triparty Repo (TREPS) on Government securities or treasury bills.	Upto 20% of the net assets of the investment strategy	Clause 1 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996
8.	Repo/ reverse repo transactions in corporate debt securities	Not exceeding 10% of the net assets of the investment strategy	Clause 12.18 of SEBI Master Circular for Mutual Funds dated June 27, 2024.
9.	Credit Default Swaps	The Investment Strategy will not invest in Credit Default Swaps	-
10.	Hedged positions in equity and equity related instruments	Upto 100 % of the net assets of the investment strategy	-

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities. **(SO. 14)**

The fund will use any of the following strategies for portfolio construction / rebalancing i.e. an unhedged long-only portfolio, partially-hedged long-only portfolio using index / stock futures or index / stock options, fully-hedged portfolio using index / stock futures or index / stock options, unhedged-long-short portfolio with 25% naked-short positions using stock futures or stock options, partially-hedged long-short portfolio with 25% naked-short using index / stock futures or index / stock options, fully-hedged long portfolio along with 25% naked-short using index / stock futures or index / stock options

DEPLOYMENT OF FUNDS DURING NEW FUND OFFER (NFO) PERIOD:

As per Regulation 35(5) of MF Regulations and SEBI Circular dated February 14, 2025, the AMC shall deploy the funds garnered in the NFO within 30 business days from the date of allotment of units.

In an exceptional case, if quant Money Managers Limited is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee of quant Money Managers Limited. The Investment Committee may extend the timeline by 30 business days, while also making recommendations on how to ensure deployment within 30 business days going forward and monitoring the same. The Investment Committee shall examine the root cause for delay in deployment before granting approval for part or full extension. The Investment Committee shall not ordinarily give part or full extension where the assets for any investment strategies are liquid and readily available.

In case the funds are not deployed as per the asset allocation mentioned in the ISID as per the aforesaid mandated

plus extended timelines, AMC shall:

i. not be permitted to receive fresh flows in the investment strategy till the time the funds are deployed as per the asset allocation mentioned in the ISID.
ii. not be permitted to levy exit load, if any, on the investors exiting the investment strategy after 60 business days of not complying with the asset allocation of the investment strategy.
iii. inform all investors of the NFO, about the exit option without exit load, via email, SMS or other similar mode of communication.
iv. report deviation, if any, to Trustees at each of the above stages.

To effectively manage the fund flows in NFO, the fund manager(s) may extend or shorten the NFO period, based on their view of the market dynamics, availability of assets and their ability to deploy funds collected in NFO. However, the same shall be subject to compliance with Para 1.10.1 and 1.10.1A of the SEBI Master Circular for Mutual Funds dated June 27, 2024.

CHANGES IN ASSET ALLOCATION PATTERN / PORTFOLIO REBALANCING:

Short Term Defensive Consideration: (SO. 23) (SO. 24)
Subject to SEBI (MF) Regulations the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. As per clause 1.14.1.2.b of SEBI Master Circular on Mutual Funds dated June 27, 2024, as may be amended from time to time, such changes in the investment pattern will be for short term and for defensive consideration only.

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

Portfolio Rebalancing (in case of passive breaches): (SO. 22) (SO. 24)

As per clause 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024, as may be amended/ clarified from time to time, in the event of change in the asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager is required to carry out portfolio rebalancing within 30 Business Days.

In case the portfolio is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to 60 Business Days from the date of completion of mandated rebalancing period. In case the portfolio of the investment strategy is not rebalanced within the aforementioned mandated plus extended timelines, the AMC shall follow the requirements specified under the aforesaid circular including reporting the deviation to Trustees at each stage.

B. WHERE WILL THE INVESTMENT STRATEGY INVEST? (SO. 29)

Equity and equity related instruments
1. Equity Instruments
2. Equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares
3. Equity Derivatives including stock futures/options and index futures/options

Debt & Money Market Instruments (SO. 13)
1.Non-Convertible Debentures
2. Non-Convertible Preference Shares (NCPS)*
3. Floating rate debt instruments
4. Securitised Asset
5. Pass Through Certificate
6. Securities created and issued by the Central and State Governments as may be permitted by RBI
7. Debt Instruments with special features i.e. Additional Tier I (AT1) / Perpetual Bonds and Tier 2 Bonds
8. Debt Instruments having Structured Obligation (SO rating) and / or Credit Enhancements (CE rating)
9. Debt Derivative Instrument like Interest Rate Swaps, Forward Rate Agreement and such other derivative instruments as may be permitted under the Regulations

10. Certificate of Deposits
11. Commercial Paper
12. Treasury Bills
13. Non-Convertible Debentures of original or initial maturity upto one year issued by corporate (including NBFCs) by way of private placement in accordance with the provisions of master circular of RBI vide reference no. RBI/MRD/2016-17/32 dated July 7, 2016
14. Tri-party Repo
15. Reverse Repo in securities other than corporate debt securities
16. Cash Management Bills
17. Bills Rediscounting
18. Units of Debt Schemes of Mutual Fund
19. Pending deployment of funds, the Investment strategy may park funds in Short Term Deposits of Scheduled commercial banks
20. Obligations/ Term Deposits of banks (both public and private sector) and development financial institutions to the extent permissible under SEBI Regulations
21. Any other securities as permitted by SEBI/RBI from time to time

*As per clause 12.10 of SEBI Master Circular on Mutual Funds dated June 27, 2024, Non-Convertible Preference Shares (NCPS) shall be treated as Debt instruments.

Securitised debt may be held up to 10% of debt portfolio. The securities/debt instruments mentioned above could be listed or unlisted, secured or unsecured, rated and of varying maturities and other terms of issue. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals. The Investment strategies may also enter into repurchase and reverse repurchase obligations in all securities held by it as per guidelines/regulations applicable to such transactions. Investment in IPOs/FPO/OFS/QIBs: This strategy attempts to make investments in companies through Initial Public offers or secondary offers through Follow-on Public Offers or OFS or Qualified Institutional Buyers route. Transfer of investments from one strategy to another strategy in the same SIF, shall be allowed, in lines with clause 12.30 of SEBI Master Circular on Mutual Funds dated June 27, 2024.

Foreign Securities

1.Investments in overseas securities
2.Investments in overseas mutual fund schemes (including ETFs), subject to applicable regulations

Real Estate Investment Trusts (REITs) & Infrastructure Investment Trusts (InVITs)

C. WHAT IS THE INVESTMENT APPROACH?

The Equity Long-Short Investment Strategy is a sophisticated approach designed to achieve consistent capital appreciation across diverse market conditions. By blending long-term equity investments with tactical short exposures, the strategy aims to capture upside potential while mitigating downside risks. This dual approach leverages both fundamental and opportunistic market dynamics to deliver robust returns for investors seeking growth with prudent risk management**. (SO. 27) (SO. 28)**

The portfolio is thoughtfully structured to balance growth, risk, and liquidity, with the following allocation guidelines:

- **Long Equity Positions (80%–100%)**: At least 80% of net assets are invested in listed equity and equity-related instruments, such as common stocks, preferred shares, and equity-linked securities (e.g., convertible bonds). These positions are selected based on fundamental analysis, targeting companies with strong growth prospects, attractive valuations, and sustainable competitive advantages. The long portfolio emphasizes diversification across sectors and geographies to reduce concentration risk while maximizing return potential.
- **Short Derivative Positions (up to 25%)**: The strategy employs unhedged derivative instruments, including stock futures, index futures, and options, to establish short exposures of up to 25% of net assets. These positions are designed to profit from declining prices of specific securities deemed overvalued or to hedge against broader market corrections. The tactical use of shorts allows the fund to generate returns in bearish or volatile market conditions, enhancing overall portfolio resilience.
- **Debt and Money Market Instruments (up to 20%)**: A portion of the portfolio, up to 20%, is allocated to debt or liquid money market instruments, such as treasury bills or short-term government bonds. This allocation allows a certain fixed return generation and serves as a liquidity buffer, enabling the fund to meet

redemption requests, seize new investment opportunities, or manage margin requirements for derivative positions without disrupting the core equity holdings.

- **Hedging Flexibility (up to 100% Additional Hedging)**: Beyond the 25% unhedged short exposure, the strategy allows for up to 100% hedging of the remaining long equity positions using derivative instruments, such as index futures, options. This capability enables the portfolio to achieve fully hedged exposure when market conditions warrant a defensive stance, such as during periods of heightened volatility or anticipated downturns.

Tentative list of derivative strategies to be deployed for short exposure.

Short Strategies	Description	Max Profit	Max Loss	Risk Level	When will the strategy be used
Short Futures	Shorting Index or Stock Futures to benefit from price decline	High (if market falls)	Theoretically unlimited. Risk management to ensure adherence to internally defined risk limits	Very High	Strong bearish outlook
Synthetic Short	Buy a put and sell a call at the same strike and expiration to mimic a short stock position. Profits from a significant price decline	High (if market falls)	Theoretically unlimited. Risk management to ensure adherence to internally defined risk limits	Very high	Strong bearish outlook
Long Put	Buy a put option to profit from a decline in the asset price below the strike	High (if market falls)	Premium paid	Low	Strong bearish outlook
Bear Put Spread	Buy a put at a higher strike and sell a put at a lower strike, same expiration. Profits from a moderate price decline	Moderate	Premium paid	Low	Moderate bearish view
Short Call	Sell a call option, profiting if the asset price stays below the strike	Premium received	Theoretically unlimited. Risk management to ensure adherence to internally defined risk limits	Very high	Bearish to neutral, risky
Bear Call Spread	Sell a call at a lower strike and buy a call at a higher strike, same expiration. Profits if price stays below the lower strike	Premium received	Limited	Moderate	Mild bearish or neutral
Long Put Butterfly	Buy one put at a lower strike, sell two puts at a middle strike, buy one put at a higher strike, same expiration. Profits from a limited move to the middle strike	Limited	Premium paid	Low	Limited bearish move
Long Put Calendar	Sell a near-term put and buy a longer-term put at the same strike. Profits from a gradual price decline and time decay	Moderate to high	Premium paid	Low	Expect gradual bearish move
Long Put Diagonal	Sell a near-term put at a lower strike and buy a longer-term put at a higher strike. Profits from a moderate decline and premium collection	Moderate to high	Premium paid	Low	Moderate bearish with income
Ratio Put Spread	Buy one put at a higher strike and sell multiple puts at a	Moderate	Theoretically unlimited. Risk	High	Bearish with premium

	lower strike, same expiration. Profits from a moderate decline with premium collection		management to ensure adherence to internally defined risk limits		collection

For detailed derivative strategies, please refer to SAI.

Portfolio Turnover: Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the investment strategy during a specified period of time. Portfolio turnover in the investment strategy will be a function of market opportunities. The investment strategy is open ended investment strategy. It is expected that there would be a number of subscriptions and repurchases on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. There may be an increase in transaction cost such as brokerage paid, if trading is done frequently. However, the cost would be negligible as compared to the total expenses of the investment strategy. Frequent trading may increase the profits which will offset the increase in costs. The AMC will endeavour to optimise portfolio turnover to optimise risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for securities held in the portfolio rather than an indication of change in AMC's view on a security etc. However, the AMC will take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets

The investment strategy has no specific target relating to portfolio turnover.

D. HOW WILL THE INVESTMENT STRATEGY BENCHMARK ITS PERFORMANCE?

NIFTY 500 Total Return Index (TRI) **(SO. 25)**

Justification: The NIFTY 500 TRI is an ideal benchmark for an equity long-short fund because it offers broad market representation, covering approximately 93% of India's listed equity market capitalization across large-, mid-, and small-cap stocks, aligning with the diverse investment universe of such funds. Its total return framework, accounting for both capital gains and dividends, accurately reflects the fund's potential returns, while its diversified sector exposure and balanced risk profile mirror the market-neutral strategies often employed by long-short funds. Widely accepted in India's financial industry, the NIFTY 500 TRI provides a stable and comprehensive baseline to evaluate whether the fund's active management generates alpha over the broader market.

E. WHO MANAGES THE INVESTMENT STRATEGY? **(SO. 33)**

Name and Age	Qualification	Tenure for investment strategy management	Type and nature of past experience including assignment held during the last 10 years	Other Investment Strategy Managed
Mr. Sandeep Tandon 55 years	MBA in Finance	NA, since it is a first investment Strategy of qsif.	Sandeep is the Founder & Chief Investment Officer of the quant Group and has a vast experience of over 33 years in capital markets. His journey in the money management business started in FY 1992-93 with GIC mutual fund (a JV partner with George Soros in India) where he was a trainee. He later joined IDBI Asset Management (now Principal Asset Management), where he was a founding member and was part of the core team that initialized the asset management business. He played a key role in devising, conceptualizing and marketing one of India's most successful mutual fund schemes: IDBI I-NITS 95. Furthermore, Sandeep worked in pivotal positions at several reputed financial services firms including ICICI Securities (a JV partner with J P Morgan in India), Kotak Securities (a J V partner with Goldman Sachs in India) and REFCO (erstwhile global derivatives firm). He has also worked at the Economic Times Research Bureau (a research wing of Bennett, Coleman and Company Limited). **Relevant Experience in managing the investment strategies for SIF.** Earlier, as Chief Executive Officer of Quant Broking from 2008 to 2018, Sandeep led the proprietary trading vertical, overseeing a daily average turnover exceeding $1 billion. Under his leadership, the	–

			vertical executed a diverse range of derivative long-short strategies, including equity arbitrage, equity volatility arbitrage, commodity arbitrage, pair trading, sectoral long-short, event-driven long-short, spread strategies and special situations. Over the 10-year period, the proprietary trading operations consistently achieved profitability, with no recorded yearly or quarterly losses at the aggregate level.	
Mr. Lokesh Garg 46 years	• MBA - IIM Ahmedabad • B.Tech - IIT Roorkee with a University Gold Medal CFA Level III	NA, since it is a first investment Strategy of qsif.	Lokesh brings two decades of experience in the equity markets. His most recent role was as Executive Director at UBS, India Institutional Equities, following the global UBS-Credit Suisse merger. Prior to this, he worked with Credit Suisse as a Director in India Institutional Equities, where he was recognized as one of the top analysts in capital goods and managed coverage across multiple sectors, earning high praise from large institutional investors. Earlier in his career, he worked with ICICI Bank in Treasury and Infosys. He also has extensive experience with Kotak Institutional Equities and Credit Suisse/UBS, having consistently ranked highly as an analyst across a variety of sectors. **Relevant Experience in managing the investment strategies for SIF.** Lokesh brings 20 years of expertise in equity markets, with a focus on generating fundamental ideas including long-short investment ideas. His most recent role was as Executive Director at UBS, India Institutional Equities, where he leveraged his deep market insights. Prior to this, he held significant positions at Kotak Institutional Equities, contributing extensive experience in equity research and generating investment & trading ideas including long-short ideas.	–

Mr. Ankit Pande 40 years	Bachelor of Engineering degree (Electronics & Telecommunications) from the University of Pune. Master's in Business Administration from The Chinese University of Hong Kong CFA – Level III	NA, since it is a first investment Strategy of qsif.	Experience of more than 14 years in Indian equities and of over 3 years in software products with Infosys' core banking software, Finacle. Began his career in equity research in 2011, picking up the (U.S. based) CFA charter in 2015 and MBA from The Chinese University of Hong Kong in 2017. He won the Thomson Reuters StarMine Award for best stock picker in the IT sector in 2014 and is a lifetime member of the Beta Gamma Sigma Honour society. **Relevant Experience in managing the investment strategies for SIF.** Under the leadership of Mr. Sandeep Tandon, at Quant Broking, Ankit was tasked with developing fundamental long-short investment ideas, incorporating strategies such as covered calls and protective puts. Ankit is also Fund Manager of various schemes of quant Mutual Fund and has successfully generated superior risk-adjusted returns in his tenure.	–
Mr. Sameer Kate 55 years	Bachelor of Computer Science - Pune University MBA from IME Pune	NA, since it is a first investment Strategy of qsif.	Sameer has over two decades of experience in Indian equities and derivatives dealing. Prior to joining quant MF, Sameer was Sr. Sales Trader at Investec Capital covering equity and derivatives trading for domestic and foreign institutional clients. He has also worked for over 16 years at Kotak Securities (Institutional Equities) as a Derivatives Sales Trader. **Relevant Experience in managing the investment strategies for SIF.** Sameer started his career with world's largest derivative group REFCO and worked as a derivatives dealer. Later for 16 years he was part of Kotak group and served as Senior Derivatives Sales Trader for Kotak Securities - JV with Goldman Sachs. He also served as an advisor to the Kotak Group Proprietary Desk,	–

			managing assets under management (AUM) exceeding ₹500 crore. Renowned in the industry for his expertise in synthetic derivatives, Sameer later joined Investec Capital, focusing on equity and derivatives trading for domestic and institutional clients. Currently at quant, he holds the role of Chief Dealer and is focused on Arbitrage opportunities, overseeing of various derivative investment strategies.	
Mr. Sanjeev Sharma **49 years**	• PGDBA(Fin.), • M.com CerTM (Treasury & Forex Risk)	–	He has total work experience of more than two decade of experience in equity, debt, fund management and treasury operations. **<u>Relevant Experience in managing the investment strategies for SIF.</u>** He has total work experience of more than two decades in treasury and has extensive experience in deploying various strategies for all instruments viz. equity, debt and derivatives.	–

qsif Equity Long-short Fund shall not invest in overseas securities till the AMC appoints a dedicated fund manager to invest in overseas securities in line with clause 12.19.3.1 of SEBI Master Circular issued on June 27, 2024.
(SO. 32)

F. HOW IS THE INVESTMENT STRATEGY DIFFERENT FROM EXISTING INVESTMENT STRATEGIES OF THE SIF?

This section is not applicable as the investment strategy is the first investment strategy of qsif.

G. HOW HAS THE INVESTMENT STRATEGY PERFORMED

This investment strategy is a new strategy and hence not applicable.

H. ADDITIONAL INVESTMENT STRATEGY RELATED DISCLOSURES

This investment strategy is a new strategy and hence additional investment strategy related disclosures not applicable.

i. Investment Strategy's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors to be provided through a functional website link that contains detailed description.)
ii. Functional website link for Portfolio Disclosure - http://qsif.com/statutory-disclosures
iii. Portfolio Turnover Rate particularly for equity oriented Investment Strategies shall also be disclosed.
iv. Aggregate investment in the Investment Strategy by:

Sr. No.	Category of Persons	Net Value	
1.	Concerned Investment Strategy's Fund Manager(s)	Units	NAV per unit

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

v. Investments of AMC in the Investment Strategy – This is a new Investment Strategy and hence not applicable.

The AMC reserves the right to invest its own funds in the Investment Strategy as may be decided by the AMC from time to time. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Investment Strategy. **(SO. 58)**

Subject to the Regulations, the AMC may invest either directly or indirectly, in the Investment Strategy during Ongoing Offer Period. However, the AMC shall not charge any investment management fee on such investment in the Investment Strategy.

As per the amended regulations i.e. sub-regulation 16(A) in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 ('MF Regulations'), the asset management companies ('AMCs') are required to invest such amount in such Investment Strategy (s) of the Specialized Investment Fund, based on the risk associated with the investment strategy, as may be specified by the Board from time to time.

Accordingly, it is decided that based on the risk band assigned to the Investment Strategy(s), in terms of Clause 17.4 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the AMC shall invest minimum amount as a percentage of assets under management ('AUM') in their Investment Strategy (s) in line with the Clause 6.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024.

PART III- OTHER DETAILS

A. COMPUTATION OF NAV

The Net Asset Value (NAV) per Unit under the Investment Strategy will be computed by dividing the net assets of the Investment Strategy by the number of Units outstanding on the valuation day. The Specialized Investment Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

The broad valuation norms policies w.r.t computation of NAV, rounding off, procedure in case of delay in disclosure of NAV etc. are detailed in the SAI.

The Net Assets Value (NAV) of the Units under the Investment Strategy shall be calculated as shown below:
NAV (Rs.) = [(Assets + Income) – (Liabilities + Expenses)] / Number of units outstanding

Where the assets include the value of securities and liquid cash. The securities in which the Investment Strategy has invested include both equity, debentures, bonds, bills of exchange, commercial paper. It also includes the interest accrued and dividend earned.

The liabilities and expenses include the money payable, interest payable, fund management expenses.
The NAV shall be calculated up to two decimal places. However, the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate. Separate NAV will be calculated and disclosed for each Option. The NAVs of the Growth Option and the IDCW Option under each of the Plans will be different after the declaration of the first IDCW.

The AMC will calculate and disclose the first NAV of the Investment Strategy within a period of 5 business days from the date of allotment. Subsequently, the NAVs will be calculated and disclosed on all the Business Days.

Illustration on Computation of NAV: (SO. 42)

Particulars	**Amount (in Rs)**	**Asset/ Liability**
Securities	10,00,000	Asset
Cash and cash equivalent	6,00,000	Asset
Receivables	4,00,000	Asset
Accrued Interest	1,00,000	Asset
Total Assets	21,00,000	
Short-term liabilities	4,00,000	Liability
Long-term liabilities	3,00,000	Liability
Accrued Expenses	2,00,000	Expense
Total Liabilities and expenses	9,00,000	

Particulars	**Amount (Rs)**
Total Assets (A)	2,100,000
Total Liabilities and expenses (B)	9,00,000
Net Asset value = (A – B)	12,00,000
Total units outstanding	1,000
NAV per unit	1200 per unit

Any change in Load structure will be effective on prospective basis and will not affect the existing Unit holder in any manner. However, the Specialized Investment Fund will ensure that the Redemption Price will not be lower than 95% of the Applicable NAV. The Purchase Price shall be at applicable NAV.

Methodology for calculation of sale and re-purchase price of the units of Specialized Investment Fund investment strategy:

Let's assume that the NAV of a Specialized Investment Fund investment strategy on April 01, 2025 is Rs. 10/-.

Purchase of Specialized Investment Fund units:

The Purchase Price of the Units on an ongoing basis will be same as Applicable NAV.
Purchase Price = Applicable NAV
In the above example, purchase is done on April 01, 2018, when the Applicable NAV = Rs. 10/-
Therefore, Purchase Price = Rs. 10/-
As per existing Regulations, no entry load is charged with respect to applications for purchase / additional purchase of Specialized Investment Fund units.

Redemption/Re-purchase of Specialized Investment Fund units

The Redemption Price of the Units will be calculated on the basis of the Applicable NAV subject to prevailing Exit Load, if any. In case of redemption, the amount payable to the investor shall be calculated as follows:
Redemption Price = Applicable NAV * (1 - Exit Load)
Say, in the above example the exit load applicable is:

- For exit on or before 12 months from the date of allotment – 1.00%
- For exit after 12 months from the date of allotment – Nil.

Scenario 1: Redemption is done during applicability of exit load

In case the investor requests for redemption on or before 12 months i.e. on or before March 31, 2025; say December 1, 2024, when the NAV of the scheme is Rs. 12/- and the exit load applicable is 1%, so the Redemption amount payable to investor shall be calculated as follows:

Redemption Price = Applicable NAV * (1 - Exit Load)
= Rs. 12 * (1-1%) = Rs. 11.88/-

Scenario 2: Redemption is done when the exit load is NIL

In case the investor requests for redemption after 12 months i.e. after March 31, 2025; say April 1, 2025, when the NAV of the scheme is Rs. 12/- and the exit load applicable is NIL, so the Redemption amount payable to investor shall be calculated as follows:

Redemption Price = Applicable NAV * (1 - Exit Load)
= Rs. 12 * (1-0) = Rs. 12/-

The aforesaid example does not take into consideration any applicable statutory levies or taxes. Accordingly, the redemption amount payable to investor shall further reduce to the extent of applicable statutory levies or taxes.

B. NEW FUND OFFER (NFO) EXPENSES

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

The NFO expenses for launch of investment strategy will be borne by the AMC.

C. ANNUAL RECURRING EXPENSES

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

The AMC has estimated that upto **2.25 % of the daily net assets** of the daily average net assets of the Investment Strategy will be charged to the Investment Strategy as expenses. For the actual current expenses being charged, the investor should refer to the website of the AMC SIF http://qsif.com/statutory-disclosures

Expense Head	% p.a. of daily Net Assets* (Estimated
Investment Management & Advisory Fee	**Upto 2.25%**
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including Agents Commission and statutory advertisement	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education & awareness	
Brokerage & transaction cost pertaining to distribution of units	
Goods & Services Tax on expenses other than investment and advisory fees	
Goods & Services Tax on brokerage and transaction cost	
Other Expenses*	
Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c)	
Additional expenses under Regulations 52(6A)(c)	Upto 0.05%
Additional expenses for gross new inflows from specified cities under regulation 52(6A)(b) **(SO. 46)**	Upto 0.30%

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

All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular Plan. Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations can be apportioned under various expense heads/ sub heads without any sub limit, as permitted under the applicable regulations. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively. Further, the additional expenses under Regulation 52(6A)(c) may be incurred either towards investment & advisory fees and/or towards other expense heads as stated above.

These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se or in total subject to prevailing Regulations. The recurring expenses of the Investment Strategy (including the Investment Management and Advisory Fees) shall be as per the limits prescribed under the Regulation 52(6) of SEBI (MF) Regulations. These are as follows:

Assets under management Slab (In Rs. crore)	Total expense ratio limits
On the first Rs. 500 crores of the daily net assets	2.25%
On the next Rs. 250 crores of the daily net assets	2.00%
On the next Rs. 1250 crores of the daily net assets	1.75%
On the next Rs. 3000 crores of the daily net assets	1.60%
On the next Rs. 5000 crores of the daily net assets	1.50%
On the next Rs. 40,000 crores of the daily net assets	Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof.

On the balance of the assets	1.05%

The total expenses of the Investment Strategy(s) including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6) of the SEBI (MF) Regulations and amendments thereto.

Expenses charged to the Investment Strategy:

A. In addition to the limits as specified in Regulation 52(6) of SEBI (MF) Regulations 1996 or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the Investment Strategy namely-

Additional expenses for gross new inflows from specified cities.

a) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI/AMFI from time to time are at least -

i. 30 per cent of gross new inflows in the Investment strategy, or;

ii. 15 per cent of the average assets under management (year to date) of the Investment Strategy, whichever is higher:

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

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

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

Provided further that, additional TER can be charged based on inflows only from retail investors in terms of Clause 10.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024. For this purpose, inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor".

b) additional expenses, incurred towards different heads mentioned under Regulations 52(2) and 52(4), not exceeding 0.05 per cent of daily net assets of the Investment Strategy;

c) GST payable on investment and advisory service fees ('AMC fees') charged by quant Money Managers Limited;

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

B. Within the Total Expense Limit chargeable to the investment strategy, following will be charged to the Investment Strategy:

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

b) Investor education and awareness initiative fees of at least 2 basis points on daily net assets of the Investment Strategy.

C. AMC fees charged by quant Money Managers Limited to the investment strategy will be within the Total Expense Limit as prescribed by SEBI Regulations, as amended from time to time.

Expenses over and above the prescribed limit shall be charged / borne in accordance with the Regulations prevailing from time to time.

The Specialized Investment Fund would update the current expense ratios on its website (http://qsif.com/statutory-disclosures) atleast three working days prior to the effective date of the change. Investors can refer 'Total Expense Ratio of SIF Investment Strategy' section on http://qsif.com/statutory-disclosures for Total Expense Ratio (TER) details.

Illustration of impact of expense ratio on Investment Strategy's returns

For any Investment Strategy, NAV is computed on a daily basis factoring in all the assets as well as liabilities of the Investment Strategy (including expenses charged). Expenses charged to the Investment Strategy bring down its NAV and hence the investor's net returns on a corresponding basis.

Illustration: (SO. 44)

Particulars	Regular Plan (Amount in Rs.)	Direct Plan (Amount in Rs.)
Amount Invested at the beginning of the year	10,00,000	10,00,000
Returns before Expenses	1,50,000	1,50,000
Expenses other than Distribution Expenses	15,000	15,000
Distribution Expenses	5,000	-
Returns after Expenses at the end of the Year	1,30,000	1,35,000
Returns after Expenses at the end of the Year (in %)	13%	13.5%

Please Note:

- The purpose of the above illustration is purely to explain the impact of expense ratio charged to the Investment Strategy and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- It is assumed that the expenses charged are evenly distributed throughout the year. The expenses of the Direct Plan under the Investment Strategy may vary with that of the Regular Plan under the Investment Strategy.
- Calculations are based on assumed NAVs, and actual returns on your investment may be more, or less.
- Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to consult his or her own financial advisor.

D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the Investment Strategy. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of qsif (http://qsif.com/All-Strategies/equity) or may call at 022-6295 5005 from 09.00 am to 06.00 pm (Monday to Friday) or your distributor. **(SO. 47)**

Type of Load	Load chargeable (as %age of NAV)
Exit Load	Exit Load: 1% if redeemed/switched out on or before completion of 15 days from the date of allotment of units No Exit Load is payable if Units are redeemed / switched-out after 15 days from the date of allotment

Units issued on reinvestment of IDCW shall not be subject to Load. No load shall be levied on switches between options and sub-options of the Investment strategy.

The above mentioned load structure shall be equally applicable to the special products such as switches, STP, SWP, etc. offered by the AMC. Further, for switches between the Growth and IDCW Option, no load will be charged by the Investment Strategy. Also, for switches between the Plans i.e. between Regular and Direct Plan or vice versa, no load will be charged by the Investment Strategy.

Exit load, if any, charged to the investors will be credited back to the Investment Strategy net of GST. The Investor is requested to check the prevailing Load structure of the Investment Strategy before investing.

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

Under the Investment Strategy, the AMC/ Trustee reserves the right to change / modify the Load structure if it so deems fit in the interest of smooth and efficient functioning of the Specialized Investment Fund. The AMC/ Trustee reserves the right to introduce / modify the Load depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the Regulations.

The Redemption Price however, will not be lower than 95% of the NAV. Any imposition or enhancement of Load in future shall be applicable on prospective investments only. **(SO. 47)**

At the time of changing the Load Structure:

1. An Addendum detailing the changes will be attached to Investment Strategy Information Document and Key Information Memorandum. The addendum may be circulated to all the distributors / brokers so that the same can be attached to all Investment Strategy Information Document and Key Information Memorandum already in stock.
2. The addendum will be displayed on the website of the AMC SIF and arrangements will be made to display the addendum in the form of a notice in all the Investor Service Centres and distributors / brokers office.
3. The introduction of the Exit Load along with the details may be stamped in the acknowledgement slip issued to the Investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such Load.
4. Any other measure which the Specialized Investment Fund may consider necessary.

The Trustee/AMC reserves the right to change the load structure subject to the limits prescribed under the Regulations. Any change in load structure shall be only on a prospective basis i.e. any such changes would be chargeable only for Redemptions from prospective purchases (applying first in first out basis).

Section II

I. Introduction

A. *Definitions/interpretation*

Please refer to AMC SIF website at http://qsif.com/downloads/kim

B. *Risk factors*

Investment strategy Specific Risk Factors (SO. 8)
Some of the specific risk factors related to the Investment strategy include, but are not limited to the following:

(i) Risk factors associated with investing in equities and equity related instruments

- Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Investment strategy unless they can afford to take the risks.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. Investment in such securities may lead to increase in the investment strategy portfolio risk.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Investment strategy incurring losses till the security is finally sold.
- Investment strategy's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.

(ii) Risk factors associated with investing in Fixed Income Securities

- The Net Asset Value (NAV) of the Investment strategy, to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates. The NAV of the Investment strategy is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market instruments, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Investment strategy and may lead to the Investment strategy incurring losses till the security is finally sold. ● Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.
- Investment in Debt instruments are subject to varying degree of credit risk or default (i.e. the risk of an issuer's inability to meet interest or principal payments on its obligations) or any other issues, which may have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values. The Investment Manager will endeavour to manage credit risk through in-house credit analysis. This may increase the risk of the portfolio. The Investment Manager will endeavour to manage credit risk through in-house credit analysis.
- **Prepayment Risk**: Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Investment strategy to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the Investment strategy.
- **Reinvestment Risk**: This risk refers to the interest rate levels at which cash flows received from the securities in the Investment strategy are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- **Settlement risk**: Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Investment strategy are uninvested and no return is earned thereon. The inability of the Investment strategy to make intended securities purchases, due to settlement problems, could cause the Investment strategy to miss certain investment opportunities. Similarly, the inability to sell securities held in the Investment strategy's portfolio, due to the absence of a well developed and liquid secondary

market for debt securities, may result at times in potential losses to the Investment strategy in the event of a subsequent decline in the value of securities held in the Investment strategy's portfolio.

- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- Different types of fixed income securities in which the Investment strategy would invest as given in the Investment strategy Information Document carry different levels and types of risk. Accordingly, the Investment strategy risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds are comparatively less risky than AA rated bonds.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates and are subject to issuer default risk. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically.
- The Investment strategy at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.
- **Risks associated with investment in unlisted securities**:
  Except for any security of an associate or group company, the investment strategy can invest in securities which are not listed on a stock exchange ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Investment strategy will realise their investments in unlisted securities at a fair value.
- Investment in unrated instruments may involve a risk of default or decline in market value higher than rated instruments due to adverse economic and issuer-specific developments. Such investments display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for unrated investments tends to be more volatile and such securities tend to be less liquid than rated debt securities.

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

The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

- Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms and could include guarantee, shortfall undertaking, letter of comfort, etc. from another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Credit enhancement could include additional security in form of pledge of shares listed on stock exchanges, etc. SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of car loan receivables, securities backed by trade receivables, credit card receivables etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.
- **Liquidity Risk**: SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities

as well as structured nature of SO securities, the liquidity in the market for these instruments is adversely affected compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the investment strategy to sell such debt instruments and generate liquidity for the investment strategy or higher impact cost when such instruments are sold.

- **Credit Risk**: The credit risk of debt instruments which are CE rated is based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

(iv) Risk factors associated with investment in Tri-Party Repo

The SIF is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the SIF in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the investment strategy is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses out of any default by its members from Triparty Repo trades. The fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the investment strategy may lose an amount equivalent to its contribution to the default fund.

(v) Risk factors associated with Repo in Corporate Debt Securities

In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The repurchase price should be greater than the original sale price, the difference effectively representing interest. A repo in corporate debt securities is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. Some of the risks associated with repo in corporate debt are given below:

- **Counterparty Risk**: Counterparty risk refers to the inability of the seller to meet the obligation to buy back securities at the contracted price on the contracted date. In case of over the counter (OTC) repo trades, the investment manager will endeavour to manage counterparty risk by dealing only with counterparties having strong credit profiles. Also, the counter-party risk is to an extent mitigated by taking collateral equivalent in value to the transaction after knocking off a minimum haircut on the intrinsic value of the collateral. In the event of default by the repo counterparty, the investment strategy shall have recourse to the corporate debt securities. In case the repo transaction is executed on exchange platform approved by RBI/SEBI, the exchange may also provide settlement guarantee.
- **Collateral Risk**: Collateral risk arises when the market value of the securities is inadequate to meet the repo obligations. This risk can be partly mitigated by restricting participation in repo transactions only in corporate debt securities which are approved by credit risk team. Additionally, to address the risk related to reduction in market value of corporate debt security held as collateral due to credit rating downgrade, the repo contract can incorporate either an early termination of the repo agreement or call for fresh margin to meet the minimum haircut requirement or call for replacement of security with eligible security. Moreover, the investment manager may apply a higher haircut on the underlying security than required as per RBI/SEBI regulation to adjust for the illiquidity and interest rate risk on the underlying instrument. To mitigate the risk of price reduction due to interest rate changes, the adequacy of the collateral can be monitored on a daily basis by considering the daily market value & applying the prescribed haircut. The investment manager or the exchange can then arrange for additional collateral from the counterparty, within a prespecified period. If the counterparty is not able to top-up either in form of cash / collateral,

it would tantamount to early termination of the repo agreement, and the outstanding amount can be recovered by sale of collateral.

(vi) Risk factors associated with investing in Non- Convertible Preference Shares

- **Credit Risk**: Credit risk is the risk that an issuer will be unable to meet its obligation of payment of dividend and/ or redemption of principal amount on the due date. Further, for non-cumulative preference shares, issuer also has an option to not pay dividends on preference shares in case of inadequate profits in any year.
- **Liquidity Risk**: The preference shares generally have limited secondary market liquidity and thus we may be forced to hold the instrument till maturity.
- **Unsecured in nature** - Preference shares are unsecured in nature and rank lower than secured and unsecured debt in hierarchy of payments in case of liquidation. Thus there is significant risk of capital erosion in case the company goes into liquidation.

(vii) Related to qSIF Equity Long-Short Fund

A. The primary objective of qSIF Equity Long-Short Fund is to generate long-term capital appreciation by identifying and capitalizing on investment opportunities in equity and equity-related instruments while employing limited short exposure through derivatives to enhance returns and manage risk. The identification and execution of long and short strategies involve inherent uncertainties, and no assurance can be given that the Fund Manager will successfully locate profitable opportunities or accurately predict market movements. Market conditions, such as reduced volatility or limited pricing inefficiencies, may constrain the fund's ability to generate alpha, potentially impacting returns. The fund's active management approach may lead to high portfolio turnover, resulting in elevated transaction costs. Additionally, there may be instances where market liquidity is insufficient to execute trades at optimal prices, increasing the cost and risk of implementing the strategy. While the portfolio typically includes liquid equities, differences in stock liquidity can pose challenges, making the long-short strategy complex, costly, and occasionally difficult to execute effectively.

B. **Risk factors associated with potential change in tax structure**

An equity oriented fund has been defined under the Income Tax Act as an investment strategy where the investible funds are invested in equity shares of domestic companies to the extent of more than 65 per cent of the total assets of such fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures. As per the asset allocation, under normal circumstances, the Investment strategy shall invest minimum 80% of its total assets in Equity and Equity Related instruments. However, under defensive circumstances, where the debt / money market instruments offer better returns than the arbitrage opportunities available in cash and derivatives segments of equity markets, then the investment manager may choose to have a lower equity exposure for a prolonged period. In such a case, the fund may be regarded as a debt oriented fund as per extant Income Tax laws and consequently may not enjoy the favourable tax provisions available for equity oriented funds in that particular financial year. In such situation, a Unitholder who has redeemed the units during that financial year may end up paying capital gain tax as applicable to a debt fund and consequently would also not be able to derive any benefit of STT paid at the time of redemption. In view of the forgoing and individual nature of tax consequences, each Unit holder is advised to consult his / her own professional tax advisor.

(viii) General Risk factors

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Investment strategy. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Investment strategy can go up or down because of various factors that affect the capital markets in general.
- As the liquidity of the investments made by the Investment strategy could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Investment strategy. In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances.
- At times, due to the forces and factors affecting the capital market, the Investment strategy may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Investment strategy. The Investment strategy may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.

- Investment strategy to be adopted by the Investment strategy may carry the risk of significant variance between the portfolio allocation of the Investment strategy and the Benchmark particularly over a short to medium term period.
- Performance of the Investment strategy may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.

(ix) Risk factors associated with investing in Foreign Securities (SO. 11)

- **Currency Risk:** Moving from Indian Rupee (INR) to any other currency entails currency risk. To the extent that the assets of the Investment strategy will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee.
- **Interest Rate Risk**: The pace and movement of interest rate cycles of various countries, though loosely co-related, can differ significantly. Hence by investing in securities of countries other than India, the Investment strategy stand exposed to their interest rate cycles.
- **Credit Risk**: Investment in Foreign Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. This is substantially reduced since the SEBI (MF) Regulations stipulate investments only in debt instruments with rating not below investment grade by accredited/registered credit rating agency.
- **Taxation Risk:** Investment in Foreign Securities poses additional challenges based on the tax laws of each respective country or jurisdiction. The investment strategy may be subject to a higher level of taxes than originally anticipated and or dual taxation. The Investment strategy may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Further, such investments are exposed to risks associated with the changing / evolving tax / regulatory regimes of all the countries where the Investment strategy invests. All these may entail a higher outgo to the Investment strategy by way of taxes, transaction costs, fees etc. thus adversely impacting its NAV; resulting in lower returns to an Investor.
- **Legal and Regulatory Risk**: Legal and regulatory changes could occur during the term of the Investment strategy which may adversely affect it. If any of the laws and regulations currently in effect should change or any new laws or regulations should be enacted, the legal requirements to which the Investment strategy and the investors may be subject could differ materially from current requirements and may materially and adversely affect the Investment strategy and the investors. Legislation/ Regulatory guidelines could also be imposed retrospectively.
- **Country Risk**: The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.
- To manage risks associated with foreign currency and interest rate exposure, the fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.

(x) Risk factors associated with investing in Derivatives (SO. 28)

- The AMC, on behalf of the Investment strategy may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- **Credit Risk**:

The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction

- **Market Risk**:
  Market movements may adversely affect the pricing and settlement of derivatives.
- **Illiquidity risk**:
  This is the risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

(xi) Risks Factors associated with investing in Derivatives for short exposure

- Derivative strategies are designed to capitalize on price movements in underlying assets. However, significant market volatility may lead to substantial losses, particularly in directional strategies or uncovered positions, where unexpected price swings could impact performance.
- Strategies employing options, are subject to time decay, where the value of options decreases as expiration nears. If anticipated price movements do not materialize within the option's lifespan, these positions may become unprofitable, affecting returns.
- Derivative trading involves costs such as premiums, commissions, and bid-ask spreads, which can erode returns. This is particularly relevant for strategies with narrow profit margins, or complex strategies like spreads and combinations requiring multiple transactions.
- Certain derivatives may exhibit lower liquidity, resulting in wider bid-ask spreads or challenges in entering or exiting positions at optimal prices. This may increase costs or complicate trade execution, especially in advanced strategies like diagonal spreads or synthetic positions.
- Sudden market events or shifts in implied volatility can disrupt strategies, which rely on the underlying asset remaining within a specific price range. Misalignment with market conditions may lead to losses.
- Strategies involving short positions, such as synthetic stock or income generation through writing options, may require significant margin reserves. Failure to meet margin obligations could result in forced liquidations at unfavorable prices, impacting portfolio performance.

(xii) Additional Risk viz. Basis Risk associated with imperfect hedging using Interest Rate Futures (IRF): The imperfect correlation between the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio leads to basis risk. Thus, the loss on the portfolio may not exactly match the gain from the hedge position entered using the IRF.

(xiii) Risk factors associated with Securities Lending: As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Investment strategy and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The investment strategy may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

(xiv) Risk factors associated with investing in Securitised Debt : The Risks involved in Securitised Papers described below are the principal ones and does not represent that the statement of risks set out hereunder is exhaustive.

- **Limited Liquidity & Price Risk**
  There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.
- **Limited Recourse, Delinquency and Credit Risk**
  The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be

lower than the amount due from that Obligor.

- **Risks due to possible prepayments and Charge Offs**
  In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs).
- **Bankruptcy of Bank with Liquidity facility**
  If the Bank with Liquidity facility, becomes subject to bankruptcy proceedings then an investor could experience losses or delays in the payments.
- **Risk of Co-mingling**
  With respect to the Certificates, the Servicer will deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

(xv) Risk factors associated with investments in Perpetual Debt Instrument (PDI)

Perpetual Debt instruments are issued by Banks, NBFCs and corporates to improve their capital profile. Some of the PDIs issued by Banks which are governed by the RBI guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). While there are no regulatory guidelines for issuance of PDIs by corporate bodies, NBFCs issue these bonds as per guidelines issued by RBI. The instruments are treated as perpetual in nature as there is no fixed maturity date. The key risks associated with these instruments are highlighted below:

Key Risk Factors: -

- **Risk on coupon servicing**
  Banks
  As per the terms of the instruments, Banks may have discretion at all times to cancel distributions/ payment of coupons. In the event of non-availability of adequate distributable reserves and surpluses or inadequacy in terms of capital requirements, RBI may not allow banks to make payment of coupons.
  NBFCs
  While NBFCs may have discretion at all times to cancel payment of coupon, coupon can also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.
  Corporates
  Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the PDI.
- **Risk of write-down or conversion into equity**
  Banks
  As per the regulatory requirements, Banks have to maintain a minimum Common Equity Tier-1 (CET-1) ratio of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point, determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/ conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital. This risk is not applicable in case of NBFCs and Corporates.
- **Risk of instrument not being called by the Issuer**
  Banks
  The issuing banks have an option to call back the instrument after minimum specified period from the date of issuance and thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Investment strategy may have to hold the instruments for a period beyond the first call exercise date.
  NBFCs
  The NBFC issuer has an option to call back the instrument after minimum specific period as per the regulatory requirement from date of issuance and thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Investment strategy may have to hold the instruments for a period beyond the first call exercise date. Corporates There is no minimum period for call date. However, if the corporate does not exercise the call option, the Investment strategy may have to hold the instruments for a period beyond the call exercise date.

(xvi) Risk factors associated with Short Selling

Short-selling is the sale of shares which are not owned by the seller at the time of trade. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock he shorted and returns the stock to close

out the loan. If the price of the stock corrects, Short seller can buy the stock back for less than he received for selling it and earn profit (the difference between higher short sale price and the lower purchase price).If the price of stock appreciates, short selling results in loss. Thus, Short positions carry the risk of losing money and these losses may grow theoretically unlimited if the price increases without limit and shall result into major losses in the portfolio.

(xvii) Risk factors associated with processing of transaction through Stock Exchange Mechanism

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

(xviii) Risk factors associated with REITs and InvITs:

- **Price Risk:** Securities/Instruments of REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices is a fluctuation in general market conditions, factors and forces affecting capital market, Real Estate and Infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures.
- **Interest Rate Risk:** Securities/Instruments of REITs and InvITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase.
- **Credit Risk**: Credit risk means that the issuer of a REIT/InvIT security/ instrument may default on interest payment or even on paying back the principal amount on maturity. Securities/ Instruments of REITs and InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.
- **Liquidity Risk:** This refers to the ease with which securities/instruments of REITs/InvITs can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities/instruments for which a liquid market exists. As these products are new to the market they are likely to be exposed to liquidity risk.
- **Reinvestment Risk:** Investments in securities/instruments of REITs and InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or Dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- **Legal and Regulatory Risk:** The regulatory framework governing investments in securities/instruments of REITs and InvITs comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Presently, it is difficult to forecast as to how any new laws, regulations or standards or future amendments will affect the issuers of REITs/InvITs and the sector as a whole. Furthermore, no assurance can be given that the regulatory system will not change in a way that will impair the ability of the Issuers to comply with the regulations, conduct the business, compete effectively or make distributions.

(xix) Risk factors associated for investments in SIF Investment strategy

1. Movements in the Net Asset Value (NAV) of the Investment strategy may impact the performance. Any change in the investment policies or fundamental attributes of this Investment strategy will affect the performance of the Investment strategy to the extent of investment in such investment strategy.

2. Redemptions in this Investment strategy would be subject to applicable exit loads.

C. *Risk mitigation strategies (SO. 9)*

Equity:

• **Liquidity Risk:** The fund will try to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks.

• **Concentration Risk**: The investment strategy will endeavour to have a well-diversified equity portfolio comprising stocks across various sectors of the economy. This would aid in managing concentration risk and sector-specific risks. Generally, diversification across market cap segments also aids in managing volatility and ensuring adequate liquidity at all times.

Debt

• **Interest Rate Risk**: The Fund seeks to mitigate this risk by keeping the maturity of the investment strategy in line with the interest rate expectations.

• **Credit risk or default risk**: Management analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken.

• Reinvestment Risk: Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.

• The Investment strategy may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Interest Rate Swaps will be done with approved counter parties under pre-approved ISDA agreements. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines.

• **Liquidity or Marketability Risk:** Liquidity risk may be high on select securities due to duration and/or issue structure and/ or issuer-specific risk. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.

Trading in Derivatives

The Investment strategy may invest in derivatives based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Investment strategy. The Investment strategy may invest in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time. Derivative investments may be undertaken to hedge the portfolio, re-balance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging could be perfect or imperfect. In case the Investment strategy has investment in foreign securities, then it may hedge the exchange rate risk on all receivables on these instruments through various derivative products such as forwards, currency futures/ options, etc. Derivatives can be traded over the exchange or can be structured between two counter-parties. Those transacted over the exchange are called Exchange Traded derivatives whereas the other category is referred to as OTC (Over the Counter) derivatives. Some of the differences of these two derivative categories are as under:

Exchange traded derivatives: These are quoted on the exchanges like any other traded asset class. The most common amongst these are the Index Futures, Index Options, Stock Futures and Options on individual equities / securities. The basic form of the futures contract is similar to that of the forward contract, a futures contract obligates its owner to purchase a specified asset at a specified exercise price on the contract maturity date. Futures are cash-settled and are traded only in organised exchanges. Exchange traded derivatives are standardised in terms of amount and delivery date. Standardisation and transparency generally ensures a liquid market together with narrower spreads. On the other hand, for delivery dates far in the future, there may be insufficient liquidity in the futures market whereas an OTC price may be available.

OTC derivatives: OTC derivatives require the two parties engaging in a derivatives transaction to come together through a process of negotiation. It is a derivative that is customised in terms of structure, amount, tenor, underlying assets, collateral etc. Some of the common examples are interest rate and currency swaps, Forward Rate Agreements (FRAs) etc.

<u>Trading in derivatives for short exposure</u>

- Investment team will select derivatives with high liquidity to minimize the impact of wide bid-ask spreads, ensuring smoother entry and exit from positions. This reduces transaction costs and enables trade execution at desired prices, especially for complex strategies requiring multiple transactions.
- Investment team will enforce rigorous risk management protocols to limit potential losses, particularly in speculative or volatility-sensitive strategies. By setting predefined loss thresholds for automatic position exits, AMC will prevent significant drawdowns and preserve capital.
- To reduce concentration risk, investment team will diversify its positions across various assets, strategies, and expiration dates. This approach mitigates the impact of unfavorable price movements in any single position, enhancing portfolio stability in volatile market conditions.
- Investment team will ensure sufficient margin reserves to cover potential obligations, especially for strategies involving short positions. This prevents forced liquidations at unfavorable prices and supports portfolio stability during adverse market movements.
- Investment team will continuously monitor implied volatility and market trends to make dynamic adjustments to positions. By exiting options early to minimize time decay or rebalancing complex strategies to align with market trends, AMC will enhance profitability and reduce exposure to unexpected market shifts.
- Investment team will select cost-effective derivatives and partner with low-cost brokers to minimize transaction expenses. This ensures that premiums and commissions do not erode returns, particularly in high-frequency or low-

margin strategies like arbitrage, preserving overall profitability.

Exposure to Derivatives
Please refer to Asset Allocation of the investment strategy for the details of maximum exposure to investment in Derivatives by the Investment strategy.

Exposure Limits
The exposure limits for trading in derivatives by SIF will be same as the Mutual Funds specified by SEBI vide its Master Circular for Mutual Fund dated June 27, 2024 and SEBI Circular dated February 27, 2025 for Regulatory Framework for Specialized Investment Funds ('SIF')as amended from time to time are as follows:
1. The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time shall not exceed 100% of the net assets of the investment startegy.
2. Specialized Investment Fund shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the strategy.
4. Cash or cash equivalents i.e. Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days may be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. (a) Specialized Investment Fund may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the investment strategy.
(b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the . However, if Specialized Investment Fund are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.
7. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
8. Definition of Exposure in case of Derivative Positions:
Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Bought	Option Premium Paid * Lot Size * Number of Contracts
Options Sold	Market price of the underlying * Lot size * Number of contracts

9. In case of any other derivative exposure, the exposure shall be calculated as the notional market value of the contract.
10. The total exposure at any point of time shall be the sum of exposure through instruments in both the cash market and derivatives market

II. Information about the investment strategy:

A. ***Where will the investment strategy invest*** **(SO. 29)** **(SO. 13)** – In terms of Regulation 49Z of SEBI (MF) Regulations, detailed description of the instruments as permitted under Regulation 43(1) investment strategies (including overview of debt markets in India, if applicable) is mentioned in Section I

The corpus of the investment strategy, subject to the enabling provisions of asset allocation pattern, will be invested

in securities/ instruments which will include but not limited to:

• Equity and equity related instruments:

Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares and equity derivatives.

• Debt Securities:

Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares.

• Money Market Instruments include:

1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.

Investments In Derivative Instruments

As part of the Fund Management process, the Trustee may permit the use of derivative instruments such as index futures, stock futures and options contracts, warrants, convertible securities, swap agreements, Forward Rate Agreement (FRA) or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the investment strategy. Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures/options can be an efficient way of achieving the investment strategy's investment objective. On the fixed income side, an interest rate swap agreement from fixed rate to floating rate is an example of how derivatives can be an effective hedge for the portfolio in a rising interest rate environment. Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on Stock Exchanges whereas OTC derivative transactions are generally structured between two counterparties. Derivatives may be high risk - high return instruments, upon leveraging. As they are highly leveraged, a small price movement in the underlying security could have a large impact on their value and may also result in a loss.

Position Limits:

The investment strategy may enter into derivative transactions in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time. Trading in derivatives by the investment strategy shall be restricted to hedging, portfolio balancing purposes and upto 25% unhedged short derivative exposure.

Currently, the position limits for Specialized Investment Funds and its investment strategies, as permitted by the SEBI Regulations, are as under: The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the investment strategy. Exposure due to hedging positions may not be included in the above mentioned limit subject to the following: • Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains. • Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned above. • Any derivative instrument used to hedge has the same underlying security as the existing position being hedged. • The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the

existing position against which hedge has been taken. • Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned above. Further, the total exposure related to option premium paid must not exceed 20% of the net assets of the investment strategy. Pursuant to SEBI letter dated November 03, 2021, Cash or cash equivalents shall consist of following securities having residual maturity of less than 91 days which are not considered for the purpose of calculating gross exposure limit:

1) Government Securities
2) T-Bills
3) Repo on Government Securities

Exposure to Derivatives: The exposure limits for trading in derivatives by Specialized Investment Funds specified by SEBI vide its clause 12.25 of Master Circular dated June 27, 2024 and as amended from time to time are as follows:

A. Position limit for Specialized Investment Funds in index options contracts:

1. The Specialized Investment Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
2. This limit would be applicable on open positions in all options contracts on a particular underlying index.

B. Position limit for Specialized Investment Fund in index futures contracts:

1. The Specialized Investment Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
2. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

C. Additional position limit for hedging In addition to the position limits at point (A) and (B) above,

Specialized Investment Funds may take exposure in equity index derivatives subject to the following limits:

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

D. Position limit for Specialized Investment Funds for stock based derivative contracts:

The Specialized Investment Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts shall be 20% of the applicable Market Wide Position Limit (MWPL). Position limit for each investment strategy of a Specialized Investment Fund. The position limits for each investment strategy of Specialized Investment Fund and disclosure requirements shall be identical to that prescribed for a sub-account of a FII. Therefore, the investment strategy-wise position limit/disclosure requirements shall be –

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a investment strategy of a Specialized Investment Fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares) Or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts)
2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
3. For index based contracts, Specialized Investment Fund shall disclose the total open interest held by its investment strategy or all investment strategies put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

Purpose of investment: – Trading in derivatives by the investment strategy shall be restricted to hedging, portfolio balancing and upto 25% unhedged short exposure. – The investment strategy shall fully cover its positions, except for the permissible short position, in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market. – Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose. – The securities held shall be marked to market by the AMC to ensure full coverage of investments

made in derivative products at all time.

• The Investment strategy may take position in derivative instruments like Futures, Options, and such other derivative instruments as may be permitted by SEBI from time to time.

Valuation: – The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. – The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Stock and Index Options: Option contracts are of two types - Call and Put; the former being the right, but not obligation, to purchase a prescribed number of shares at a specified price before or on a specific expiration date and the latter being the right, but not obligation, to sell a prescribed number of shares at a specified price before or on a specific expiration date. The price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options. In India, all individual stock options are American Options, whereas all index options are European Options. Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price. Strategies that employ Options: Buying a Call Option: Let us assume that the Fund buys a call option of XYZ Ltd. with strike price of Rs. 1000, at a premium of Rs. 25. If the market price of ABC Ltd on the expiration date is more than Rs. 1000, the option will be exercised. The Fund will earn profits once the share price crosses Rs. 1025 (Strike Price + Premium i.e. 1000+25). Suppose the price of the stock is Rs. 1100, the option will be exercised and the Fund will buy 1 share of XYZ Ltd. from the seller of the option at Rs 1000 and sell it in the market at Rs. 1100, making a profit of Rs. 75. In another scenario, if on the expiration date the stock price fall below Rs. 1000, say it touches Rs. 900, the Fund will choose not to exercise the option. In this case the Fund loses the premium (Rs. 25), which will be the profit earned by the seller of the call option. Risks: In case of buying options either call/put, the maximum loss would be the premium paid in case of options expiring out of the money. Buying a Put Option: Let us assume the Fund owns the shares of XYZ Ltd, which is trading at Rs. 500. The fund wishes to hedge this position in the short-term as it perceives some downside to the stock in the short-term. It can buy a Put Option at Rs. 500 by paying a premium of say Rs, 10/- In case the stock goes down to Rs. 450/- the fund has protected its downside to only the premium i.e Rs 10 instead of Rs. 50. On the contrary if the stock moves up to say Rs. 550/- the fund may let the Option expire and forego the premium thereby capturing Rs. 40/- upside. The strategy is useful for downside protection at cost of foregoing some upside. Risks: In case of buying options either call/put, the maximum loss would be the premium paid in case of options expiring out of the money. Stock and Index Futures: The Stock Exchange, Mumbai and the National Stock Exchange have introduced Index futures on BSE Sensex (BSE 30) and Nifty (NSE-50). Generally, three futures of 1 month, 2 months and 3 months are presently traded on these exchanges. These futures will expire on the last working Thursday of the respective month. There are futures based on stock indices as mentioned above as also futures based on individual stocks. Individual stock futures are also widely used derivative instruments for enhancing portfolio returns. Stock futures trade either at a premium or at discount to the spot prices, usually the level of premium reflective of the cost of carry. Many a times the stock-specific sentiments too have a bearing on Futures as speculators may find futures as a cost-effective way of executing their view on the stock. However such executions usually increase the premium/discount to the spot significantly, thereby giving rise to clean arbitrage opportunities for a fund. Strategies that employ Index Futures: Illustrative list of strategies that can employ index futures: (a) The fund has an existing equity portion invested in a basket of stocks. In case the fund manager has a view that the equity markets are headed downwards, the fund can then hedge the exposure to equity either fully or partially by initiating short futures positions in the index. A similar position in the long direction can also be initiated by the fund to hedge its position of cash and permissible equivalents. The extent to which this can be done is determined by existing guidelines. (b) To the extent permissible by extant regulations the investment strategy can initiate a naked short position in an underlying index future traded on a recognized stock exchange. Further the Investment strategy may use index and stock futures and options to create an unhedged 25% short derivative exposure. For example: The investment strategy may buy put options of stocks that it does not hold in cash market, thus creating a net short exposure.

In case the Nifty near month future contract trading at say, 1850, and the fund manager has a view that it will depreciate going forward, the fund can initiate a sale transaction of nifty futures at 1850 without holding a portfolio of equity stocks or any other underlying long equity position. Once the price falls to 1800 after say, 20 days the fund can initiate a square-up transaction by buying the said futures and book a profit of 50. Correspondingly the fund can take a long position without an underlying cash/ cash equivalent subject to the extant regulations. Risks: • The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis– pricing of the futures and the inability of derivatives to correlate perfectly

with underlying assets, rates and indices. • The Long position in the Nifty will have as much loss as the gain in the short portfolio if hedged completely and would be vice versa if we were holding long portfolio, short Index. Strategies that employ Stock Futures: Sell Spot Buy Future: To illustrate, let us assume the fund holds the stock XYZ Ltd which is trading @ Rs. 100/- at the spot market. If for some reasons the stock trades at Rs. 98 in the futures, the fund may sell the stock and buy the futures. On the date of expiry, the fund may reverse the transactions (i.e. Buy Spot & Sell futures) and earn a risk-free Rs. 2/- (2% absolute) on its holdings. Since this is done without diluting the fund's view on the underlying stock, the fund will benefit from any upside move i.e. if on the date of futures expiry, the stock is trading at Rs. 110/- the futures too will be trading at Rs. 110- and the fund will capture the 10% upside the stock provided and along with it the 2% arbitrage too, thereby enhancing returns to 12% Risks: • While Futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time for investment strategy to purchase or close out a specific futures contract. • The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis– pricing of the futures. Buy Spot Sell Future: If the fund holds a stock XYZ Ltd which trades @ Rs 100/- at the spot market and is trading at Rs. 102/- in the futures market. The fund may buy the spot and sell the futures and earn the premium of Rs.2 /- which is risk-free. However this strategy can be used only when the fund is sitting in cash and is looking at enhancing the returns on the cash. Risks: • While Futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time for investment strategy to purchase or close out a specific futures contract. • The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis– pricing of the futures. Sell Future: This helps in shorting the market and taking a direct short position in the market. Futures facilitate a short position if fund manager has a bearish view in the market. A sold Futures can be re-purchased any time up to the date of its expiry. If not repurchased, it is automatically squared off on the expiry date at Spot Rate. Risks: The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Buy Future: If the fund wants to initiate a long position in a stock whose spot price is at say, Rs.100 and futures is at 98, the fund may just buy the futures contract instead of the spot thereby benefiting from a lower cost option. Risks: The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Interest Rate Swaps: The Indian markets have faced high volatility in debt and equity markets. An interest rate swap is a contractual agreement between two counter-parties to exchange streams of interest amount on a national principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis. The Investment strategy may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the investment strategy. In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the investment strategy. However, if Investment strategy is transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable. Purpose of Interest Rate Swaps: - The Indian markets have faced high volatility in debt and equity markets. An interest rate swap is a contractual agreement between two counter-parties to exchange streams of interest amount on a national principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis. The investment strategy shall use derivative position for hedging the portfolio risk on a non leverage basis. The investment strategy shall fully cover their positions in the derivatives market by holding underlying securities / cash or cash equivalents / option and / or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market. Let us look at an example of an interest rate swap: Entity A has Rs.20 crores, 3 month asset which is being funded through call. Entity B, on the other hand, has deployed Rs.20 crores in overnight call money market, 3 month liability. Both the entities are taking on an interest rate risk. To hedge against the interest rate risk, both the entities can enter into a 3 month swap agreement based on say MIBOR (Mumbai Inter Bank Offered Rate). Through this swap, entity B will receive a fixed pre-agreed rate (say 8%) and pay NSE MIBOR ("the benchmark rate") which will neutralize the interest rate risk of lending in call. Similarly, entity A will neutralize its interest rate risk from call borrowing as it will pay 8% and receive interest at the benchmark rate. Assuming the swap is for Rs.20 crores 1 September to 1 December, Entity A is a floating rate receiver at the overnight compounded rate and Entity B is a fixed rate receiver. On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On December 1, they will calculate as explained below:

Entity A is entitled to receive daily compounded call rate for 92 days and pay 8% fixed. Entity B is entitled to receive interest on Rs.20 crores @ 8% i.e. Rs.40.33 lakhs, and pay the compounded benchmark rate. Thus on December 1, if the total interest on the daily overnight compounded benchmark rate is higher than Rs.40.33 lakhs, entity B will pay

entity A the difference and vice versa. Forward Rate Agreement (FRA) A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs. Example: Let us assume that a investment strategy has an investment of Rs.10 crore in an instrument that pays interest linked to NSE Mibor. Since the NSE Mibor would vary daily, the investment strategy is running interest rate risk on its investment and would stand to lose if rates go down. To hedge itself against this risk, the investment strategy could do an IRS where it receives a fixed rate. (assume 10%) for the next 5 days on the notional amount of Rs. 10 crore and pay a floating rate (NSE Mibor). In doing this, the investment strategy would effectively lock itself into a fixed rate of 10% for the next five days. The steps would be: 1. The investment strategy enters into an IRS on Rs. 10 crore from December 1 to December 6. It receives a fixed rate of interest at 10% and the counter party receives the floating rate (NSE Mibor). The investment strategy and the counter party exchange a contract of having entered into this IRS. 2. On a daily basis, the NSE Mibor will be tracked by the counterparties to determine the floating rate payable by the investment strategy. 3. On December 6, the counterparties will calculate the following: • The investment strategy will receive interest on Rs. 10 crore at 10% p.a. for 5 days i.e. Rs.1,36,986/- • The investment strategy will pay the compounded NSE Mibor for 5 days by converting its floating rate asset into a fixed rate through the IRS. • If the total interest on the compounded NSE Mibor rate is lower than Rs. 1,36,986/-, the investment strategy will receive the difference from the counterparty and vice-versa. In case the interest on compounded NSE Mibor is higher, the investment strategy would make a lower return than what it would have made had it not undertaken IRS. Risks: Interest rate swaps and Forward Rate Agreement require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the "counter-party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion. As is clear from the above examples, engaging in derivatives has the potential to help the investment strategy in minimising the portfolio risk and/or improve the overall portfolio returns. Please note these examples are hypothetical in nature and are given for illustration purposes only. The actual returns may vary depending on the market conditions. The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.

SECURITIES LENDING.

If permitted by SEBI under extant regulations/guidelines, the Investment strategy may also engage in scrip lending as provided under Securities Lending Investment strategy 1997, as per Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024, and other applicable guidelines/regulations, as amended from time to time. Scrip lending means lending a security to another person or entity for a fixed period of time, at a negotiated compensation. The security lent will be returned by the borrower on or before the expiry of the stipulated period. The AMC will comply with the required reporting obligations and the Trustee will carry out the reviews required under SEBI/RBI guidelines. Further a maximum of 20% of net assets will be deployed in securities lending and the maximum single party exposure will be restricted to 5%# of net assets outstanding at any point of time.
Presently, Securities lending and borrowing (SLB) is an Exchange traded product. Counterparty is not known for transactions carried out under SLB segment and they are guaranteed by Clearing Corporations and hence do not carry any counter party risk. Accordingly, single party exposure limit will not apply to trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified. Engaging in scrip lending is subject to risks related to fluctuations in the collateral value / settlement / liquidity / counter party.

INVESTMENT IN SECURITISED DEBT

1. **How the risk profile of securitized debt fits into the risk appetite of the investment strategy**

Securitization is the fact or process of securitizing assets i.e. the conversion of loans into securities, usually in order to sell them on to other investors. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However, it differs mainly in two respects. One, the liquidity of securitized debt is less than similar debt securities. Two, for certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk. Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if

the re-investment rates are lower than initially envisaged. Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. After considering these additional risks, the investment is no different from investment in a normal debt security. Considering the investment objective of the investment strategy, these instruments with medium risk profile can be considered in the investment universe. Thus if the Fund Manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table.

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

Investments in securitized debt will be done based on the assessment of the originator and the securitized debt which is carried out by the Fixed Income team based on the in-house research capabilities as well as the inputs from the independent credit rating agencies and by following SIF's internal credit process. Specifically, in order to mitigate the risk at the issuer/originator level the Fixed Income team will consider various factors which will include - - Track record of the originator in the specific business to which the underlying loans correspond to; - size and reach of the issuer/originator; - Collection infrastructure & collection policies; - Post default recovery mechanism & infrastructure; - Underwriting standards & policies followed by originator; - Management information systems; - Financials of the originators including an analysis of leverage, NPAs, earnings, etc.; - Future strategy of the company for the specific business to which the underlying loans correspond to; - Performance track record of Originator's portfolio & securitized pools, if any; - Utilization of credit enhancement in the prior securitized pools; - The quality of information disseminated by the issuer/ originator; and - The credit enhancement for different types of issuer/originator. Also, assessment of business risk would be carried out which includes - - Outlook for the economy (both domestic and global); and - Outlook for the industry

In addition, the fund analyses the specific pool and the broad evaluation parameters are as follows: - Average seasoning of the loans in the pool - Average Loan to value ratio of the loans in the pool - Average ticket size of the loans - Borrower profile (salaried / self employed, etc) - Geographical profile of the pool - Tenure profile of the pool - Obligor concentration - Credit enhancement cover available over and above the historic losses on Originator's portfolio - Expected Prepayment rate in the specific asset class experienced by the originator in the past as well as the industry - Limited Liquidity and Price Risk. The investment strategy will invest in securitized debt which are rated investment grade and above by a credit rating agency recognized by SEBI. The investment team analyses the Rating Rationale in detail before investing in any PTCs, and also discusses with the concerned rating agency on a need basis. The rating agency would normally take in to consideration the following factors while rating a securitized debt:

Credit risk at the asset/originator/portfolio/pool level

- The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are 'cherry-picked' using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of installments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analyzed with regard to geographical location, borrower profile, LTV, and tenure. Counterparty risk - This includes Servicer Risk, co-mingling risk etc. The rating agencies generally mitigate such risks though the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure.

Bankruptcy risk - Of the Originator – o Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'. It is also in the Interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits. - Of the Investors' agent o All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal risks - The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction. o Various market risks like interest rate risk, macro-economic risks o Assessment of risks related to business for example outlook for the economy, outlook for the industry and factors specific to the issuer/originator.

3. Risk mitigation strategies for investments with each kind of originator

The examples of securitized assets which may be considered for investment by the Investment strategy and the various

risk mitigation parameters (please read in continuation with point 2 above) which will be considered include;

A) Asset backed securities issued by banks or non-banking finance companies. Underlying assets may include receivables from loans against cars, commercial vehicles, construction equipment or unsecured loans such as personal loans, consumer durable loans. The various factors which will be usually considered while making investments in such type of securities include profile of the issuer, analysis of underlying loan portfolio – nature of asset class, seasoning of loans, geographical distribution of loans and coverage provided by credit-cum-liquidity enhancements.

B) Mortgage backed securities issued by banks or housing finance companies, where underlying assets are comprised of mortgages/home loan. The various factors which will be usually considered while making investments in such type of securities include issuer profile of the issuer, quality of underlying portfolio, seasoning of loans, coverage provided by credit-cum-liquidity enhancements and prepayment risks. C) Single loan securitization, where the underlying asset comprises of loans issued by a bank/non-banking finance company.

The factors which will be usually considered while making investments in such type of securities include assessment of credit risk associated with the underlying borrower as well as the originator. The Fixed Income team will adhere to internal credit process and perform a detailed review of the underlying borrower prior to making investments. This analysis is no different from the analysis undertaken by Fund when it invests in Debentures or Commercial papers issued by the same borrower. Critical Evaluation Criteria Typically the Fund would avoid investing in securitization transaction (without specific risk mitigation strategies / additional cash/security collaterals/ guarantees) if there are concerns on the following issues regarding the originator / underlying issuer: 1. High default track record/ frequent alteration of redemption conditions/covenants 2. High leverage ratios – both on a standalone basis as well on a consolidated level/ group level 3. Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be 4. Higher proportion of overdue assets of the pool or the underlying loan, as the case may be 5. Poor reputation in market 6. Insufficient track record of servicing of the pool or the loan, as the case may be.
Further, investments in securitized debt will be done in accordance with the investment restrictions specified under the SEBI Regulations/ this Investment Strategy Information Document which would help in mitigating certain risks. Currently, as per the Regulations, the Investment strategy cannot invest more than 10% of its net assets in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 12% of the net assets of the Investment strategy with the prior approval of the Board of Trustees and the Board of the AMC.

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

The framework which will generally be applied by the Fund Manager while evaluating the investment decision with respect to securitized debt will be as follows:

Characteristics/ Type of Pool	**Mortgage Loan**	**Commercia1 Vehicle and Construction Equipment**	**CAR**	**2 wheelers**	**Micro Finance Pools**	**Personal Loans**	**Single Sell down$**	**Others**
Approximate Average maturity (in Months)	Upto 10 years	Upto 5years	Upto 5 years	Upto 48 months	Upto 80 weeks	Upto 3 years	Case by case basis	As and when new

Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	In excess of 3%	In excess of 4%	In excess of 4%	In excess of 4%	In excess of 5%	In excess of 5%	Case by case basis	asset classes of securitized debt are introduced, the investment such instruments will be evaluated on a case by case basis
Average Loan to Value Ratio	95% or lower	100% or lower **	95% or lower	95% or lower	Unsecured	Unsecured	Case by case basis	
Average seasoning of the Pool	Minimum 2 months	Minimum 2 months	Minimum 2 months	Minimum 2 months	Minimum 2 weeks	Minimum 2 months	Case by case basis	
Maximum single exposure range *	< 5%	< 5%	NA (retail pool)	NA (retail pool)	NA (Very Small retail pool)	NA (retail pool)	NA	
Average single exposure range% *	< 5%	5%	< 2%	< 1%	< 1%	< 1%	NA	

* denotes % of a single ticket/loan size to the overall assets in the securitized pool.

** LTV Based on chassis value

$ Broad evaluation criteria as per point 3 above

Notes:

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

b. The information illustrated in the table above is based on current scenario relating to securitized debt market and is subject to change depending upon the change in the related factors.

In addition to the framework stated in the table above, in order to mitigate the risks associated with the underlying assets where the diversification is less, at the time of investment the Fixed Income team could consider various factors including but not limited to –

- Size of the loan - the size of each loan is generally analysed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
- Average original maturity of the pool of underlying assets
- The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.
- Loan to value ratio, average seasoning of the pool of underlying assets - these parameters would be evaluated based on the asset class as mentioned in the table above.
- Default rate distribution - the Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
- Geographical distribution - the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.
- Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
- Liquidity facility - these parameters will be evaluated based on the asset class as mentioned in the table above.

- Structure of the pool of underlying assets - The structure of the pool of underlying assets would be either single asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

5. The minimum retention period of the debt by the originator prior to securitization

The minimum retention period of the debt by the originator prior to securitization and the minimum retention percentage by originator of debts will be as per the guidelines/regulations issued by the RBI/other regulatory agencies from time to time. Also, please refer the table in point 4. The Fund will adopt that policy, whichever is stricter.

6. Minimum retention percentage by originator of debts to be securitized

Same as point 5 above.

7. The mechanism to tackle conflict of interest when the Specialized Investment Fund invests in securitized debt of an originator and the originator in turn makes investments in that particular investment strategy of the fund

An investment by the investment strategy in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a investment strategy. All investments are made on an arm's length basis without consideration of any investments (existing/potential) in the investment strategies made by any party related/involved in the transaction. The robust credit process ensures that there is no conflict of interests when a investment strategy invests in securitized debt of an originator and the originator in turn makes investments in that particular investment strategy.

8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows: -
- Fixed Income Team – Currently, the AMC has a well experienced team, which is responsible for credit research, monitoring and fund management, for all exposures including securitized debt.
- Ratings are monitored for any movement – Based on the cash flow report and Fixed Income Team's view, periodic review of company credit appraisal shall be conducted & monitored accordingly.

As per the prevailing SEBI guidelines, the investments in securitised debt instruments will be shown as a separate category under debt instruments in the half yearly disclosure of investment strategy portfolio.

• Usage of Short Term Deposits: Pending deployment of the funds in securities in terms of investment objective of the Investment strategy, the AMC may park the funds of the Investment strategy in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide Para 12.16 of SEBI Master Circular on Mutual Funds dated June 27, 2024, as may be amended from time to time.

B. What are the investment restrictions? (SO. 19)

In pursuance of the Regulations, the following restrictions are currently applicable to the investment strategy:

1. The Investment strategy shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities; provided that the Investment strategy may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI; provided further that the Investment strategy may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI; provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
2. The Specialized Investment Fund shall, get the securities purchased or transferred in the name of the Specialized Investment Fund on account of the concerned investment strategy, wherever investments are intended to be of long term nature.
3. No investment shall be made in any Fund of Funds investment strategy.

4. The Specialized Investment Fund shall not advance any loans for any purpose.
5. The Investment strategy may invest in any other investment strategy without charging any fees, provided that aggregate inter investment strategy investment made by all investment strategies under the management of quant Money Managers Limited or in investment strategies under the management of any other AMC shall not exceed 5% of the net asset value of the Specialized Investment Fund.
6. Specialized Investment Fund under all its investment strategies should not own more than fifteen per cent of any company's paid up capital carrying voting rights
Provided that investment in the asset management company or the trustee company of a Specialized Investment Fund shall be governed by clause (a) of sub-regulation (1) of regulation 7B:
Provided further that the limit mentioned in sub-regulation (2) above shall be inclusive of ten per cent limit for mutual fund schemes as specified under clause 2 of Seventh Schedule.
Explanation: If a Mutual Fund under all its schemes owns ten per cent of any company's paid up capital carrying voting rights, then the Specialized Investment fund under all its investment strategies shall not own more than five per cent of that company's paid up capital carrying voting rights.
7. All investments by the investment strategy in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
8. The investment strategy shall not invest more than 10% of its net assets in the equity or equity related instruments of any company.

9. Investment in unlisted debt instruments:
9.1. The investment strategy shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used for hedging. However, the investment strategy may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the investment strategy subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

10. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by the investment strategy shall be subject to the following:
a. Investments should only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder. b. Exposure of the investment strategy in such instruments, shall not exceed 5% of the net assets of the investment strategy.
c. All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees.
d.The Investment strategy may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the investment strategy.
e. In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the investment strategy. However, if Investment strategy is transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

11. a. Sector Exposure – The exposure in a particular sector (excluding investments in Bank CDs, TREPs, GSecs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) under the portfolio will not exceed 20% of the net assets on account of purchase. An additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the investment strategy on account of purchase shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only**(SO. 31)**. Further, an additional exposure of 5% of the net assets of the investment strategy shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. Provided that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the investment strategy on account of purchase. The above restriction will not be applicable to the equity portion of the Investment strategy's portfolio (where applicable). b. Group Exposure - The total exposure of Investment strategy in a Group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) will not exceed 20% of the net assets of the Investment strategy. Such investment limit may be extended to 25% of the net assets of the Investment strategy with the prior approval of the

Board of Trustees. Investments by the Investment strategy in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the investment strategy. Such investment limit may be extended to 15% of the net assets of the Investment strategy with the prior approval of the Board of Trustees. For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates. The above restrictions will not be applicable to the equity portion of the Investment strategy's portfolio.

12. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of Seventh Schedule to SEBI Regulations.

13. Transfers of investments from one investment strategy to another will be done in inconformity with as per Para 12.30 of SEBI Master Circular on Mutual Funds dated June 27, 2024.

14. No investment shall be made 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.

15. Pending deployment of funds in securities in terms of investment objectives of the Investment strategy, the Specialized Investment Fund can invest the funds of the investment strategy in short term deposits of scheduled commercial banks in line with Para 12.16 of SEBI Master Circular on Mutual Funds dated June 27, 2024 as amended from time to time. The Investment strategy shall abide by the following guidelines for parking of funds in short term deposits:

♣ Such short term deposits shall be held in the name of the investment strategy.

♣ The investment strategy shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.

♣ Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Specialized Investment Fund in short term deposits.

♣ The investment strategy shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

♣ The Investment strategy shall not park funds in short-term deposit of a bank, which has invested in the Investment strategy. The bank in which the investment strategy has short-term deposit shall not be permitted to invest in the said investment strategy until the investment strategy has short-term deposit with such bank.

♣ AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

• The aforesaid limits are not applicable to term deposits placed as margins for trading in cash and derivatives market.

16. Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:

• Investment of the investment strategy in the following instruments shall not exceed 10% of the debt portfolio of the investment strategy and the Group exposure in such instruments shall not exceed 5% of the debt portfolio of the investment strategy: a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade.; and b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade. For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

• These investment limits mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

• Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares. AMC may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMC shall initiate necessary steps to ensure protection of the interest of the investors.

17. Repo transactions in corporate debt securities

• The gross exposure of any mutual fund investment strategy to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned investment strategy.

• The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned investment strategy.

18. The investment strategy may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption (For eg. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework) subject to the following: a) Specialized Investment Fund under all its investment strategies shall not own more than 10% of such instruments issued by a single issuer b) A Specialized Investment Fund shall not invest: a. more than 10% of its NAV of the debt portfolio of the investment strategy in such instruments; and b. more than 5% of its NAV of the debt portfolio of the investment strategy in such instruments issued by a single issuer. The above investment limit for a investment strategy shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996, and other prudential limits with respect to the debt instruments.

19. The investment strategy may consider investment in other financial market investments as per guidelines issued by the Central Government/SEBI/RBI from time to time. The AMC/Trustee may alter these investment restrictions from time to time to the extent SEBI regulations/applicable rules change/permit so as to achieve the investment objective of the investment strategy. Such alterations will be made in conformity with SEBI regulations. Further, apart from the investment restrictions prescribed under SEBI regulations, the investment strategy may follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector, etc. The investment restrictions specified as a percentage of net assets will be computed at the time of making the investment and it is clarified that changes need not be effected, merely by reason of appreciation or depreciation in value or by reason of factors beyond the control of the investment strategy (such as receipt of any corporate or capital benefits or amalgamations). In case the limits are exceeded due to reasons beyond its control, the AMC shall adopt necessary measures of prudence to reset the situation having regard to the interest of the investors.

1. Transfer of instruments from one investment strategy to another investment strategy in the same Specialized Investment Fund is permitted provided:

a. Such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
b. the securities so transferred shall be in conformity with the investment objective of the investment strategy to which such transfer has been made.

However, in terms of Clause 12.30 of SEBI Master Circular dated June 27, 2024, ISTs are allowed only in case of raising liquidity and for duration/Issuer/Sector/Group rebalancing with the following conditions:

In case of Raising Liquidity, ISTs permitted if: (SO. 30)

a) Use of investment strategy cash & cash equivalent
b) Use of market borrowings
c) Selling of investment strategy securities in the market
d) After attempting all the above, if there is still a investment strategy level liquidity deficit, then out of the remaining securities, outward Inter Investment strategy Transfers (ISTs) of the optimal mix of low duration paper with highest quality shall be effected.

The use of market borrowing before ISTs will be optional and Fund Manager may at his discretion take decision on borrowing in the best interest of unitholders.

In case of Duration/Issuer/Sector/Group rebalancing, ISTs permitted if:

a) ISTs shall be allowed only to rebalance the breach of regulatory limit.
b) ISTs can be done where any one of duration, issuer, sector and group balancing is required in both the transferor and transferee investment strategies.

No ISTs of a security shall be allowed, if there is negative news or rumors in the mainstream media or an alert is generated about the security, based on internal credit risk assessment in terms of clause 12.30 of SEBI Master Circular dated June 27, 2024 during the previous four months**.**

1. The Specialized Investment Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that the Specialized Investment Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:

Provided further that the Specialized Investment Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

2. The Investment strategy shall not make any investment in any fund of funds investment strategy.
3. The Investment strategy will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its Clause 7.5 of SEBI Master Circular dated June 27, 2024:

i. Position limit for the Specialized Investment Fund in equity index options contracts

a. The Specialized Investment Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crores or 15% of the total open interest of the market in index options, whichever is higher, per stock exchange.
b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Specialized Investment Fund in equity index futures contracts:

a. The Specialized Investment Fund position limit in all index futures contracts on a particular underlying index shall be Rs.500 crores or 15% of the total open interest of the market in index futures, whichever is higher, per stock exchange.
b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging

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

a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Specialized Investment Fund's holding of stocks.
b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Specialized Investment Fund's holding of cash, government securities, Treasury Bills and similar instruments.

iv. Position limit for Specialized Investment Fund for stock based derivative contracts

The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

v. Position limit for each investment strategy of a Specialized Investment Fund

The investment strategy-wise position limit / disclosure requirements shall be:

i. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of an investment strategy of a Specialized Investment Fund shall not exceed the higher of 1% of the free float market capitalization (in terms of number of shares)

or

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

ii. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
iii. For index based contracts, Specialized Investment Fund shall disclose the total open interest held by its investment strategy or all investment strategies put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

vi. Offsetting of transactions: As per the provisions of the SEBI SIF circular dated February 27, 2025, the investment strategy is allowed to offset certain derivative transactions. Below are some of the illustrative scenarios for offsetting of positions on the same underlying security.

Sr. No.	Position 1	Position 2	Offsetting allowed/not?	Net exposure to be considered
1	Equity Long	Futures Short	Yes	Equity Long only
2	Equity /Futures Long	Call option Short	Yes	Equity /Futures Long only
3	Equity /Futures Long	Put option Long	Yes	Equity /Futures Long only
4	Futures Short	Call option Long	Yes	Futures Short only
5	Futures Short	Put option Short	Yes	Futures Short only
6	Call option Long	Call option Short	Yes	Call option Short only

7	Put option Long	Put option Short	Yes	Put option short only
8	Equity Long	Futures Long	No	Equity Long + Futures Long
9	Equity /Futures Long	Call option Long	No	Equity /Futures Long + Call option Long
10	Equity /Futures Long	Put option Short	No	Equity /Futures Long + Put option Short
11	Futures Short	Call option Short	No	Futures short + Call option short
12	Futures Short	Put option Long	No	Futures short + Put option Long
13	Call option Long	Put option Short	No	Call option Long + Put option Short
14	Call option Short	Put option Long	No	Call option Short + Put option Long

**For offsetting of positions, the futures and options contracts shall be on the same underlying security and having same expiry date.*

4. Pending deployment of the funds of the Investment strategy in securities in terms of the investment objective of the Investment strategy, the AMC may park the funds of the Investment strategy in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI:

The Investment strategy will comply with the following guidelines/restrictions for parking of funds in short term deposits:

i. "Short Term" for such parking of funds by the Investment strategy shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Investment strategy.
ii. The Investment strategy shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
iii. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Specialized Investment Fund in short term deposits.
iv. The Investment strategy shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
v. The Investment strategy shall not park funds in short term deposit (STD) of a bank which has invested in that Investment strategy. Further Trustees/ AMCs shall also ensure that the bank in which the Investment strategy has STD do not invest in the said investment strategy until the Investment strategy has STD with such bank.
vi. The AMC will not charge any investment management and advisory fees for funds parked in short term deposits of scheduled commercial banks.

However, the above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.

5. The Investment strategy shall not advance any loans.
6. The Investment strategy shall not borrow except to meet temporary liquidity needs of the Investment strategy for the purpose of repurchase / redemption of Units or payment of interest and/or dividend to the Unit holders.

Provided that the Fund shall not borrow more than 20% of the net assets of the individual Investment strategy and the duration of the borrowing shall not exceed a period of 6 months.

The Investment strategy will comply with the other Regulations applicable to the investments of Mutual Funds from time to time.

7. SEBI vide its Clause 12.25 of Master Circular dated June 27, 2024 and Clause 6 of Circular dated February 27, 2025 has prescribed the following investment restrictions w.r.t. investment in derivatives:

Sr. No.	Particulars
1	The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the Investment strategy. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure. **(SO. 14)**
2	The Investment strategy shall not write options or purchase instruments with embedded written options except call options under a covered call strategy as specified in Clause 12.25 of Master Circular dated June 27, 2024 as amended from time to time.
3	The total exposure related to option premium paid shall not exceed 20% of the net assets of the investment strategy.

<table>
<tr><td>4</td><td>Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.</td></tr>
<tr><td>5</td><td>Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.</td></tr>
<tr><td>6</td><td>Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:
<table>
<tr><th>Position</th><th>Exposure</th></tr>
<tr><td>Long Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr>
<tr><td>Short Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr>
<tr><td>Option bought</td><td>Option Premium Paid * Lot Size * Number of Contracts.</td></tr>
<tr><td>Option Sold</td><td>Market price of the underlying * Lot Size * Number of Contracts.</td></tr>
</table></td></tr>
<tr><td>7</td><td>a) The Investment strategy may enter into plain vanilla interest rate swaps for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the investment strategy.
b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the investment strategy. However, if Specialized Investment Funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the investment strategy. Exposure to a single counterparty in such transactions shall not exceed 10% of the net assets of the investment strategy.</td></tr>
<tr><td>8</td><td>In case of any other derivative exposure, the exposure shall be calculated as the notional market value of the contract</td></tr>
<tr><td>9</td><td>The total exposure at any point of time shall be the sum of exposure through instruments in both the cash market and derivatives market</td></tr>
</table>

8. The Investment strategy may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSESENSEX subject to the following:

(i) The total notional value (taking into account strike price as well as premium value) of call options written by a investment strategy shall not exceed 15% of the total market value of equity shares held in that investment strategy.

(ii) The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the investment strategy. The unencumbered shares in a investment strategy shall mean shares that are not part of Securities Lending and Borrowing Mechanism(SLBM), margin or any other kind of encumbrances.

(iii) At all points of time the investment strategy shall comply with the provisions at paragraph (i) and (ii) above. In case of any passive breach of the requirement at paragraph (i), the respective investment strategy shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said investment strategy.

(iv) In case the Investment strategy needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (i) and (ii) above while selling the securities.

(v) In no case, the investment strategy shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.

(vi) The premium received shall be within the requirements prescribed in terms of Clause 12.25 of Master Circular dated June 27, 2024 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the investment strategy.

(vii) The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of Clause 12.25 of Master Circular dated June 27, 2024.

a. The Investment strategy shall participate in repos in corporate debt securities as per the guidelines issued by SEBI and/ or RBI from time to time and the guidelines framed by the Board of Directors of Trustee Company and the Asset Management Company, from time to time.

At present the following conditions and norms shall apply to repo in corporate debt securities:

(i) The gross exposure of the Investment strategy to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Investment strategy.

(ii) The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt, units issued by REITs & InvITs and derivatives shall not exceed 100% of the net assets of the Investment strategy.

(iii) The Investment strategy shall participate in repo transactions only in AA and above rated corporate debt securities.

(iv) The Investment strategy shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

(v) The Trustee and the Asset Management Company have framed guidelines interalia considering the following aspects:

i. Category of counterparty
ii. Credit rating of counterparty
iii. Tenor of collateral
iv. Applicable haircuts

(vi) Counterparty selection & credit rating

The counterparty must be an acceptable counterparty for debt transactions. The Specialized Investment Fund follows a counterparty empanelment process for fixed income transactions and the same shall be used for selection of counterparties for corporate bond repos. All repo transactions in corporate bonds will be governed by a repo agreement as specified by FIMMDA and / or other specified authorities.

(vii) Collateral tenor & quality

The exposure limit/investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate bonds. The Investment strategy shall further follow guidelines framed by Trustee and the AMC from time to time.

(viii) Applicable haircuts

Currently Specialized Investment Funds are permitted to carry out repo transactions in government securities without any haircuts. The Reserve Bank of India has notified a minimum haircut based on rating of the corporate bond and other securities. In addition, the Fixed Income and Money Market Dealers Association (FIMMDA) would maintain a rating-haircut matrix on an ongoing basis. The Investment strategy shall further follow guidelines framed by Trustee and the AMC from time to time.

The haircuts seek to protect the lender of funds from the event of the counterparty failing to honor the repurchase leg of the repo. In such a circumstance, the Fund would suffer a loss if the value of the collateral depreciates by more than the haircut. The fall in the value of the collateral could be on account of higher yields and/ or deterioration of credit quality.

As the typical tenor of repos is short (typically overnight), the haircuts represent a relatively high degree of safety in relation to the interest rate risk on the collateral. The risk of collateral depreciation based on historical volatility is given in the table below:

Bond Tenor (yrs)	**1**	**3**	**5**	**10**
Price Volatility (%) (annualized)	0.6	1.2	1.7	3.4
Repo Tenor	Number of standard deviations needed to lose 10%			
1 day	258	136	94	48
7 days	98	52	36	18

In the above table, the price volatility of a 10-year bond is about 3.4% annualized. That is a 10% price move represents nearly a 3-sigma event on an annualized basis. For overnight tenors, this represents a 48-sigma event (for comparison a 6-sigma event occurs about once in a million observations).

It is apparent that the haircuts stipulated by RBI are more than sufficient to mitigate interest rate risk. Credit event risk remains (the collateral could default during the tenor of the repo). This risk is to be mitigated by ensuring that the collateral is acceptable from a credit point of view.

9. As per Regulation 49AA of SEBI (Mutual Funds) Regulations, 1996 and SEBI Circular dated February 27, 2025, Restrictions on investments are as follows:
   (1) An investment strategy under Specialized Investment Fund shall not invest more than 20 per cent of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act.
   Such investment limit may be extended to 25 per cent of the NAV of the investment strategy with the prior approval of the Board of Trustees and Board of Directors of the asset management company: Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and triparty repo on Government securities or treasury bills:
   Provided further that investments within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board:
   Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.
   (2) No Specialized Investment Fund under all its investment strategies should own more than fifteen per cent of any company's paid up capital carrying voting rights: Provided that investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a) of sub-regulation (1) of regulation 7B:
   Provided further that the limit mentioned in sub-regulation (2) above shall be inclusive of ten per cent limit for mutual fund schemes as specified under clause 2 of Seventh Schedule.
   Explanation: If a mutual fund under all its schemes owns ten per cent of any company's paid up capital carrying voting rights, then the Specialized Investment fund under all its investment strategies shall not own more than five per cent of that company's paid up capital carrying voting rights.
   (3) No investment strategy of a Specialized Investment Fund shall invest more than 10 per cent of its NAV in the equity shares and equity-related instruments of any company.
   (4) A Specialized Investment Fund may invest in the units of REITs and InvITs subject to the following:
   (a) No Specialized Investment Fund under all its investment strategies shall own more than 20 per cent of units issued by a single issuer of REIT and InvIT: Provided that the limit mentioned in clause (a) of sub-regulation 4 above shall be inclusive of 10 per cent limit for mutual fund scheme as specified under clause 13 (a) of Seventh Schedule.
   (b) An investment strategy under Specialized Investment Fund shall not invest –
   (i) more than 20 per cent of its NAV in the units of REITs and InvITs; and
   (ii) more than 10 per cent of its NAV in the units of REIT and InvIT issued by a single issuer:
   Provided that the limits mentioned in sub-clauses (i) and (ii) above shall not be applicable for investments in case of index fund or sector or industry specific investment strategy pertaining to REIT and InvIT.
   (5) All other investment restrictions applicable for schemes of mutual funds as specified under Seventh Schedule shall apply to investment strategies under the Specialized Investment Fund.
   (6) An investment strategy under SIF shall not invest more than 20% of its NAV in debt and money market securities issued by a single issuer and rated AAA or 16% in securities rated AA or 12% in securities rated A and below. These instrument limits may be extended by up to 5% of the NAV of investment strategy with prior approval of trustees of MF and board of AMC.
   (7) An investment strategy under the SIF shall not invest more than 25% of its NAV in debt and money market securities of a particular sector.
   (8) Investment in derivatives: An investment strategy may take derivatives exposure for hedging, portfolio rebalancing & upto 25% unhedged short exposure.

The Specialized Investment Fund/AMC shall make investment out of the NFO proceeds only on or after the closure of the NFO period. The Specialized Investment Fund / AMC can however deploy the NFO proceeds in TREPS before the closure of NFO period. However, AMCs shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period. The appreciation received from investment in TREPS shall be passed on to investors.

Further, in case the minimum subscription amount is not garnered by the investment strategy during the NFO period, the interest earned upon investment of NFO proceeds in TREPS shall be returned to investors, in proportion of their investments, along with the refund of the subscription amount.

The exposure limit/ investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate bonds.

The investment strategy will comply with the other Regulations applicable to the investments of Specialized Investment Fund from time to time.

All the investment restrictions will be applicable at the time of making investments.

The AMC/Trustee may alter these above stated restrictions from time to time to the extent the Regulations change, so as to permit the Investment Strategy to make its investments in the full spectrum of permitted investments for Specialized Investment Fund to achieve its respective investment objective.

C. *Fundamental Attributes (SO. 59)*

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

(i) Type of investment strategy:

- An open-ended equity investment strategy investing in listed equity and equity related instruments including limited short exposure in equity through derivative instruments.

(ii) Investment Objective

Main Objective - Growth.

- To generate long-term capital appreciation by investing in a diversified portfolio of equity and equity-related instruments while employing limited short exposure through derivatives to enhance returns and manage risk efficiently. There is no assurance that the investment objective of the Investment strategy will be achieved.

- Investment pattern - Please refer to '**How will the Investment Strategy Allocate its Assets?'** under the Part II 'INFORMATION ABOUT THE INVESTMENT STRATEGY'.

(iii) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption. (please refer to relevant provisions on listing, repurchase, redemption in section II 'Other Investment Strategy Specific Disclosures')
- Aggregate fees and expenses charged to the investment strategy (please refer to Annual Investment Strategy Recurring Expenses under Part III – Other Details).
- Any safety net or guarantee provided - This Investment Strategy does not provide any guaranteed or assured return.

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

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

D. *Other Investment Strategy Specific Disclosures:*

Listing and transfer of units	The Investment Strategy is an open-ended Investment Strategy under which sale and repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the Trustee reserves the right to list the units as and when considered necessary in the interest of Unit holders of the Fund.
Dematerialization of units	The Unit holders would have an option to hold the Units in demat form or account statement (non-demat) form. Units held in Demat Form are freely transferable. The Applicant intending to hold Units in demat form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/ CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units. **(SO. 57(a) (b) (c))**
Minimum Target amount (This is the minimum amount required to operate the investment strategy and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	Rs. 10 crores.
Redemption and subscription frequency of the investment strategy	Daily (only Business Days)
Notice period of the investment strategy	Not Applicable
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (I DCW)	Under the IDCW option, the Trustee will have the discretion to declare the IDCW, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of IDCW and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with SEBI (MF) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holders as to the rate of IDCW nor that it will be paid regularly. The AMC/Trustee reserves the right to change the frequency of declaration of IDCW or may provide for additional frequency for declaration of IDCW. **IDCW Distribution Procedure** In accordance with Clause 11 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the procedure for distribution would be as under: 1. Quantum of IDCW and the record date will be fixed by the Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of the decision by the Trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be 2 working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the fund is situated, whichever is issued earlier. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders for receiving IDCW. 4. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Investment strategy would fall to the extent of payout and statutory levy (if applicable). 5. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by Fund. However, the requirement of giving notice shall not be applicable for IDCW options having frequency up to one month.

Allotment (Detailed procedure)	All Applicants whose monies towards purchase of Units have been realised by the Fund will receive a full and firm allotment of Units, provided also the applications are complete in all respects and are found to be in order. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc. For applicants applying through 'APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA)', on allotment, the amount will be unblocked in their respective bank accounts and account will be debited only to the extent required to pay for allotment of Units applied in the application form. Units will be allotted upto 3 decimals. Face Value per unit of all Plans/ Options under the Investment strategy is Rs. 10-/. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc. Applicants under the Investment strategy will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form. Accordingly, the AMC shall allot units either in physical form (i.e. account statement) or in dematerialized form within 5 working days from the date of closure of the NFO period. **Dematerialization**: The Applicants intending to hold the Units in dematerialized mode will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units. The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. Units held in demat form are freely transferable. If the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. However, the Trustee / AMC reserves the right to change the dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and Regulations thereunder. All Units will rank pari passu, among Units within the same Option in the Investment strategy concerned as to assets, earnings and the receipt of Distributions, if any, as may be declared by the Trustee. **Allotment Confirmation** An allotment confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 working days of the closure of the NFO Period to the Unit holder's registered e-mail address and/or mobile number. Note: Allotment of units will be done after deduction of applicable stamp duty . Note: For the purpose of allotment of units / refund of monies under NFO the term "working days" shall include Business Days but shall not include Holidays.
Refund	If application is rejected, full amount will be refunded within 5 working days of closure of NFO. If refunded later than 5 working days @ 15% p.a. for delay period will be paid and charged to the AMC.
Who can invest this is an indicative list and investors shall consult their financial advisor to ascertain whether the	The following persons (i.e. an indicative list of persons) are eligible and may apply for subscription to the Units of the Investment strategy provided they are not prohibited by any law/ Constitutive documents governing them:

investment strategy is suitable to their risk profile.	1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Karta of Hindu Undivided Family (HUF); 3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding in a minor's folio . Payment for investment shall be accepted from the bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian. 4. Partnership Firms & Limited Liability Partnerships (LLPs); 5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860, Co-operative Societies registered under the Co-Operative Societies Act, 1912, One Person Company; 6. Banks & Financial Institutions; 7. Mutual Funds/ Alternative Investment Funds registered with SEBI; 8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds; 9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/ Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis; 10. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws; 11. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions; 12. Council of Scientific and Industrial Research, India; 13. Multilateral Financial Institutions/ Bilateral Development Corporation Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India; 14. Other investment strategies of qsif (offered by quant Mutual Fund) subject to the conditions and limits prescribed by SEBI (MF) Regulations; 15. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Investment strategy; 16. Such other category of investors as may be decided by the AMC / Trustee from time to time provided their investment is in conformity with the applicable laws and SEBI (MF) Regulations. Note: 1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad / Overseas Citizens of India (OCI) / Foreign Portfolio Investors (FPIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations. 2. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories / officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. The Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact. 3. Investors desiring to invest / transact in investment strategies are required to mandatorily furnish PAN (PAN of the guardian in case minor does not

	have a PAN) and comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address including in case of non-individuals copy of the Memorandum and Articles of Association / bye-laws/trust deed/ partnership deed/ Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund / AMC / Trustees / other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/ authorised by the Constitution document/their Board of Directors etc. to make the investment / transact. Further, the Investor shall be liable to indemnify the Fund / AMC / Trustee / other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and / or the applicant who has applied on behalf of the Investors. The Fund / AMC / Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. Where the Units are held by a Unit holder in breach of any Regulations, AMC / the Fund may effect compulsory redemption of such units. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. 4. The Trustee reserves the right to recover from an investor any loss caused to the Investment strategy on account of dishonour of cheques issued by the investor for purchase of Units of this Investment strategy. 5. No request for withdrawal of application will be allowed after the closure of New Fund Offer Period. 6. Subject to the SEBI (MF) Regulations, the Trustee may inter-alia reject any application for the purchase of Units if the application is invalid or incomplete or non-permissible under law or if the Trustee for any other reason does not believe that it would be in the best interest of the Investment strategy or its Unitholders to accept such an application.
Who cannot invest	The aforementioned persons/entities as specified under section **"Who Can Invest?"** shall not be eligible to invest in the Investment strategy, if such persons/entities are: 1. United States Person (U.S. person*) as defined under the extant laws of the United States of America, except the following: a. NRIs/PIOs may invest/transact, in the Investment strategy, when present in India, as lump sum subscription, redemption and/or switch transaction and registrations of systematic transactions only through physical form and upon submission of such additional documents/undertakings, etc., as may be stipulated by AMC/ Trustee from time to time and subject to compliance with all applicable laws and regulations prior to investing in the Investment strategy. b. FPIs may invest in the Investment strategy as lump sum subscription and/or switch transaction (other than systematic transactions) through submission of physical form in India, subject to compliance with all applicable laws and regulations and the terms, conditions, and documentation requirements stipulated by the AMC/Trustee from time to time, prior to investing in the Investment strategy. The Trustee/AMC reserves the right to put the transaction requests received from such U.S. person on hold/reject the transaction request/redeem the units, if allotted, as the case may be, as and when identified by the AMC that the same is not in compliance with the applicable laws and/or the terms and conditions stipulated by Trustee/AMC from time to time. Such redemptions will be subject to applicable taxes and exit load, if any.

	The physical application form(s) for transactions (in nondemat mode) from such U.S. person will be accepted ONLY at the Investor Service Centres (ISCs) of quant Money Managers Limited (AMC). Additionally, such transactions in physical application form(s) will also be accepted through Distributors and other platforms subject to receipt of such additional documents/undertakings, etc., as may be stipulated by AMC/ Trustee from time to time from the Distributors/ Investors. 2. Residents of Canada; 3. Investor residing in any Financial Action Task Force (FATF) designated High Risk jurisdiction. *The term "U.S. person" means any person that is a U.S. person within the meaning of RegulationS under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time.
How to Apply (details) **(SO. 35)**	The Applications Forms shall be made available at Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Fund and/ or may be downloaded from the AMC SIF website. http://qsif.com/downloads/forms. For further details, **refer to the SAI** and Application form for the instructions. 1. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Specialized Investment Fund will be provided on the website of the AMC SIF website http://qsif.com/downloads/forms. 2. Please refer **back cover page of ISID** for Name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc. As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. **(SO. 61)** To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In the absence of the same, the request for Change in Bank Mandate is liable to be rejected. Investors are required to note that it is mandatory to mention their bank account numbers in their applications/requests for redemption. At the time of redemption, investors can select the bank account to receive the amount.
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the investment strategy or the AMC) involved in the same.	The number of Units held by the Unit holder under his folio / Demat Account will stand reduced by the number of Units redeemed. Presently, the AMC does not intend to reissue the repurchased units. However, the Trustee reserves the right to reissue the repurchased units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	**SUSPENSION OF SALE OF UNITS OF THE INVESTMENT STRATEGY** The Specialized Investment Fund at its sole discretion reserves the right to withdraw the Sale of Units i.e. subscriptions in the Investment strategy(s) (including any one Plan/ Option) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and /

	or suitable investment opportunities are not available for deployment of funds or if in the view of AMC/Trustee changing the size of the corpus may prove detrimental to the existing Unit holders of the Investment strategy(s) or for any other reason deemed fit by the AMC / Trustee. Further, the indicative list of circumstances under which sale of units may temporarily be suspended is as follows: 1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Investment strategy are closed otherwise than for ordinary holidays. 2. In case of natural calamities, war, strikes, riots and bandhs. 3. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Official Point(s) of Acceptance. 4. If so directed by SEBI. **RIGHT TO RESTRICT REDEMPTION AND / OR SUSPEND REDEMPTION OF THE UNITS** (as per para 1.12 of SEBI Master Circular dated June 27, 2024 as may be amended from time to time): The Fund at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan /Option) of the Investment strategy of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable to the Redemption / switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs). The Trustee / AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Investment strategy of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Investment strategy of the Fund may be imposed are as follows: 1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or 2. Market failures / exchange closures; or 3. Operational issues; or 4. If so directed by SEBI. It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines, if any mentioned by the Fund in the investment strategy offering documents, for processing of requests for Redemption may not be applicable. Any restriction on Redemption or suspension of Redemption of the Units in the Investment strategy(s) of the Specialized Investment Fund shall be made applicable only after specific approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI. The AMC / Trustee reserves the right to change / modify the provisions of right to restrict Redemption and / or suspend Redemption of the Units in the Investment strategy of the Fund.
Cut off timing for subscriptions/ redemptions/ switches	The below cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day:

This is the time before which your application (complete in all respects) should reach the official points of acceptance.)	**A] For Purchase (including switch-in) of any amount:** • In respect of valid applications received upto 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the investment strategy before the cut-off time - the closing NAV of the day shall be applicable. • In respect of valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the investment strategy either at any time on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable. • Irrespective of the time of receipt of application, where the funds for the entire amount are credited to the bank account of the investment strategy before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. **B] For Switch-ins of any amount: For determining the applicable NAV, the following shall be ensured:** • Application for switch-in is received before the applicable cutoff time. •Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the Investment Strategy before the cut-off time. • The funds are available for utilization before the cut-off time. • In case of 'switch' transactions from one Investment Strategy to another, the allocation shall be in line with redemption payouts. **C]Redemptions including Switch - outs:** ● In respect of valid applications received up to 3.00 p.m. – same day's closing NAV shall be applicable. ● In respect of valid applications received after 3.00 p.m. - the closing NAV of the next Business Day shall be applicable. ● With respect to investors who transact through the stock exchange, a confirmation slip given by the stock exchange mechanism shall be considered for the purpose of determining Applicable NAV for the Investment Strategy and cut off timing for the transactions. To clarify, for investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization by the Investment Strategy irrespective of the installment date of the SIP, STP or record date of dividend etc.
Where can the applications for purchase/redemption switches be submitted?	The Applications Forms shall be made available at Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of Fund and/ or may be downloaded from the AMC SIF website http://qsif.com/about-us/contact-us. For further details, **refer to the SAI** and Application form for the instructions. 1. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Fund will be provided on the AMC SIF website http://qsif.com/about-us/contact-us.

<table>
<tr><td></td><td>2. Please refer back cover page of ISID for Name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc.

As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number.</td></tr>
<tr><td>Minimum amount for purchase/ redemption/ switches</td><td>Minimum amount of investment during NFO and On an Ongoing basis under all Plans and Options:

• During NFO: Rs.10,00,000/- and in multiples of Re. 1/- thereafter
• On continuous basis: Rs.10,00,000/- and in multiples of Re. 1/- thereafter

Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP) /Systematic Transfer Plan (STP) shall only commence upon re-opening of the Investment Strategy.

On continuous basis:
<table>
<tr><td>SIP</td><td>Rs. 10,000/- and in multiples of Re. 1 thereafter [Minimum 6 installments]</td></tr>
<tr><td>SWP</td><td>Rs. 10,000/- and in multiples of Re. 1 thereafter [Minimum 6 installments]</td></tr>
<tr><td>STP</td><td>Rs. 10,000/- and in multiples of Re. 1 thereafter [Minimum 6 installments]</td></tr>
</table>
The clauses on SWP and STP will be subject to compliance with provisions mentioned under “Minimum investment threshold” as stated under Clause “Minimum threshold requirement and consequences of non- maintenance” of this ISID.

Note:
Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any.

For Additional Purchases: Rs. 10,000/- and in multiples of Re. 1/- thereafter

For Redemption/Switches: Rs. 1,000/- and in multiples of Re. 1/- thereafter</td></tr>
<tr><td>Minimum threshold requirement and consequences of non- maintenance</td><td>The AMC shall ensure that an aggregate investment by an investor across all investment strategies offered by the SIF, at the Permanent Account Number (‘PAN’) level, is not less than INR 10 lakh.

Provided that the requirement of minimum investment amount shall not apply to an accredited investor.
Provided that, the above provisions shall not be applicable for mandatory investments made by AMC for designated employees under paragraph 6.10 of the Master Circular for Mutual Funds dated June 27, 2024.

The AMC shall monitor compliance with the Minimum Investment Threshold on a daily basis and ensure that there are no active breaches. The AMC shall ensure that the investor's total investment value does not fall below the Minimum Investment Threshold due to redemption transactions initiated by the investor. (SO. 36)

Passive breaches (occurrence of instances not arising out of omission and commission by AMC), such as those caused by a decline in Net Asset Value (NAV), shall not be treated as a violation of the Minimum Investment Threshold. However, if the total investment value falls below the threshold</td></tr>
</table>

	due to a passive breach, the investor shall only be permitted to redeem the entire remaining investment amount from the SIF. Active Breaches shall mean fall in the aggregate value of an investor's total investment across all investment strategies of SIF, below the Minimum Investment Threshold of INR 10 lakh, on account of any transactions (i.e. redemption, transfer, sale etc.) initiated by the investor. In case of any active breach of the Minimum Investment Threshold by an investor including through transactions on stock exchanges or off-market transfers: (a) all units of such investor held across investment strategies of the concerned SIF shall be frozen for debit, and (b) a notice of 30 calendar days shall be given to such investor to rebalance the investments in order to comply with the Minimum Investment Threshold. Pursuant to the said notice issued to the investor: (i) in case investor rebalances his/her investments in SIF within the notice period of 30 calendar days, the units of SIF of such investor shall be unfreezed, and no further action shall be taken with regard to compliance with Minimum Investment Threshold. (ii) in case the investor fails to rebalance the investments within the aforesaid 30 calendar day period, the frozen units shall be automatically redeemed by the AMC, at the applicable Net Asset Value of the next immediate business day after the 30th calendar day of the notice period.
Accounts Statements	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 business days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). A consolidated Account Statement and Monthly CAS shall be issued to investors that have opted for delivery via electronic mode (e-CAS) by the twelfth (12th) day from the month end, detailing all the transactions across all investment strategies of Specialized Investment Fund and to investors that have opted for delivery via physical mode by the fifteenth (15th) day from the month end. The CAS will be dispatched by email to all the investors whose email addresses are registered with the Depositories and AMCs/MF-RTAs. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs. The depositories shall also intimate the investor on quarterly basis through the SMS mode specifying the email id on which the CAS is being sent. If there is any transaction in any of the demat accounts of the investor or in any of his Specialized Investment Fund folios, then CAS shall be sent to that investor through email on monthly basis. In case there is no transaction in any of the Specialized Investment Fund and demat accounts then CAS with holding details shall be sent to the investors by email on half yearly basis. The depositories shall dispatch the CAS to investors that have opted for delivery via electronic mode, on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October.

	However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs. In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement. The transactions viz. purchase redemption, switch, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN). The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. In case of a specific request received from the Unit holders, the AMC will provide an account statement (reflecting transactions of the Fund) to the investors within 5 Business Days from the receipt of such request, by mail/email. The Unit holder without any charges may request for a physical account statement by writing to/calling the AMC/ISC/RTA. The Specialized Investment Fund / AMC shall dispatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder. Half Yearly CAS shall be issued to investors that have opted for e-CAS on or before the eighteenth (18th) day of April and October, to all investors providing the prescribed details across all investment strategies of Specialized Investment Fund and to investors that have opted for delivery via physical mode by the twenty first (21st) day of April and October. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. The Account Statement shall state that the net investment as gross subscription less transaction charges, if any and specify the no. of units allotted against the net investment. CAS for investors having Demat account: • Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository. • Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis. • If there is any transaction in any of the Demat accounts of the investor or in any of his Specialized Investment Fund folios, depositories shall send the CAS within ten days from the month end. In case, there is no transaction in any of the Specialized Investment Fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis. • In case an investor has multiple accounts across two depositories, the depository with whom the account has been opened earlier will be the default depository. • No Account Statements will be issued by the AMC to Unit holders who hold units in dematerialized mode. For Units in dematerialised mode, the Account Statements may be obtained by the Investor from the depository participants with whom the investor holds the DP account. The dispatch of CAS by the depositories would constitute compliance by the AMC/ the Specialized Investment Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations and as per SEBI

	Circular Reference no. SEBI/HO/MRD/PoD1/CIR/P/2025/16 dated February 14, 2025. For further details, refer SAI.
Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer Clause 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024 For investment strategies investing atleast 80% of total assets in permissible overseas investments (as per Clause 12.19 of SEBI Master Circular for Mutual Funds), the transfer of redemption or repurchase proceeds to the unitholders shall be made within five working days from the date of redemption or repurchase.
Bank Mandate	As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected. Investors have an option of registering multiple bank accounts, by submitting the necessary forms & documents. At the time of redemption, investors can select the bank account to receive the amount.
Delay in payment of redemption / repurchase proceeds/dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024 for the period of such delay.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	The unclaimed Redemption and IDCW amounts shall be deployed by the Fund in money market instruments and such other instruments/securities as maybe permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders. **(SO. 52)**
Disclosure w.r.t investment by minors	Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMC shall accept a Change of Pay-out Bank mandate before redemption is processed. **(SO. 37)** Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with parent/legal guardian after completing all KYC formalities.

	Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. The claimant has to submit the Transmission Request Form (TRF) and NOC form along with the prescribed common set of documents. All such forms and formats are available on AMC website, RTA and AMFI. AMCs shall not accept requests for redemption from a claimant pending completion of the transmission of units in his / her favour. The Stamp duty is payable by the claimant with respect to the indemnity bond and affidavit, shall be in accordance with the stamp duty prescribed by law.
Acceptance of financial transactions through email in respect of non-individual investor	Non-individual Investors are requested to note the following: 1. Risks Involved in Transacting via Email the Non-individual investor acknowledges and accepts the inherent risks associated with conducting financial transactions via email. These risks include, but are not limited to, the possibility of unauthorized access to email communications, transmission delays, data loss, or alteration due to technical glitches or cyberattacks, which could impact the completeness or accuracy of the transaction. Additionally, emails may be susceptible to interception, unauthorized access, and other security vulnerabilities, which could lead to fraudulent transactions. Therefore, investors must be cautious while initiating financial transactions via email and should ensure the confidentiality and integrity of their communication. 2. Limitation of Liability of AMC / RTA The Asset Management Company (AMC) and the Registrar and Transfer Agent (RTA) shall not be held liable for any loss or damage caused by the non-receipt or delay in receiving any transaction sent by the investor via email. This includes situations where emails are not delivered, are delayed, or are intercepted due to issues beyond the control of the AMC or RTA, including but not limited to, technical failures, service provider errors, or unauthorized access to the email account. The AMC and RTA will not be responsible for any transactions that are erroneously processed or not processed due to such issues. The liability of the AMC and RTA is limited solely to the extent of ensuring that the transaction is processed once received in the proper format and within a reasonable timeframe, subject to system availability and security checks. 3. Security Measures to Ensure Safe Email Communication The AMC and RTA are committed to ensuring the highest level of security for email communications and shall implement appropriate safeguards. These measures include the use of encrypted email services, secure authentication protocols, and virus/malware scanning for all incoming and outgoing emails. Additionally, access to email accounts and transaction systems shall be restricted to authorized personnel only, and multi-factor authentication will be employed to verify the identity of the individuals initiating transactions. The AMC shall take all reasonable steps to prevent unauthorized access, disclosure, or alteration of the financial data transmitted via email. 4. Retention of Transaction Records The AMC and RTA will retain records of all transactions routed via email in accordance with applicable laws and regulations. These records will include, but are not limited to, transaction requests, email correspondence, and confirmation receipts, for a minimum period as mandated by regulatory authorities. The Non-Individual investor agrees that these records shall be stored in a secure digital format to ensure their integrity and availability for future reference. In addition, the AMC shall maintain an audit trail for each

	transaction, allowing for the traceability of emails and the status of each request submitted via email. 5. Procedure for Addition/Deletion of Authorized Signatories The facility to transact via email shall follow an appropriate procedure for the addition or deletion of authorized signatories. Such changes must be communicated to the AMC through a formal notification, in the form of a signed letter or email from the authorized representative of the entity, accompanied by the requisite board resolution or authority letter. The AMC shall process these changes only upon receipt of valid documentation confirming the updated list of authorized signatories. These changes will only be effective once the AMC has acknowledged receipt and validation of the notification. 6. Authorization for Non-Individual Investors For non-individual investors, including registered Specialized Investment Fund distributors or third parties authorized by the investor, to submit financial transactions via email on behalf of the entity, the AMC and RTA require prior written authorization from the investor. This authorization should clearly state the scope of authority granted to the third party and must be submitted with each transaction request. The AMC will accept such transactions only if the relevant authorization documents are in place and the email corresponds with the pre-registered contact information for the entity or authorized third party. 7. Security Procedures for Transaction Confirmation To confirm and authenticate email-based financial transactions, the AMC will employ a range of security procedures, including digital signatures, encrypted communication, and multi-step verification processes. These procedures are designed to verify that the transaction is genuinely authorized by the investor and ensure that the instructionshave not been tampered with. Upon receipt of an email transaction, the AMC will conduct thorough checks to confirm the authenticity of the request, including comparing it against the pre-registered information (email addresses, signatories, etc.). Only upon successful verification will the transaction be processed. 8. Electronic Time Stamping and Audit Trail for Email Transactions Each transaction processed via email shall be subject to an electronic time-stamping mechanism that records the exact time and date of receipt. This time stamp will serve as a reference point for any future inquiries or disputes regarding the transaction. Furthermore, AMC shall maintain an audit trail, tracking all actions related to the email transaction, including receipt, verification, and processing. The audit trail will provide transparency, ensure accountability, and facilitate the resolution of any issues related to email-based transactions. 9. Change in Registered Email Address / Contact Details Any change in the registered email address or contact details of the entity must be communicated to the AMC via a physical letter, including a scanned copy, signed by the designated authorized officials of the entity. This change request must also be supported by a copy of the relevant board resolutions or authority letter from the entity, issued on the official letterhead. The AMC will not accept email requests for such changes. Further, changes in the registered email address will not be processed unless the request complies with these requirements. This ensures that only authorized personnel can modify the contact details associated with the Non-individual investor's account. 10. Changes in Bank Mandate No changes to the bank mandate (including adding or modifying bank account details) will be accepted via email. Such changes must be submitted using the prescribed service request form, duly signed by the entity's authorized signatories. The form must also be accompanied by the wet signatures of the designated officials of the entity. This ensures the authenticity and validity of any change in the

	bank details associated with the Non- individual Investor's account, and that no unauthorized modifications are made via email. 11. Digital Signatures and Validity of Electronically Executed Documents In case of any document executed electronically, the AMC recognizes the validity of Digital Signature Certificates (DSCs) or Aadhaar-based e-signatures provided by the authorized officials of the entity. These digitally signed documents will be treated as legally binding and valid, even if they are not sent from the registered email address of the authorized officials. However, the email domain from which the document is sent must match the official domain name of the entity. Such documents, when executed with a valid DSC or e-signature, will be processed by the AMC without requiring further verification through physical signatures.

Other Details

A. *Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report*

Alternative Monthly and Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the investment strategy is currently invested. The market value of these investments is also stated in portfolio disclosures.	The SIF shall disclose portfolio (along with ISIN), including derivative instruments, as on the last day of every alternate month (i.e. as on the end of May, July, September, November, January and March) for all its investment strategies (including debt based investment strategies) on the respective AMC SIF website http://qsif.com/statutory-disclosures and on the website of AMFI within 10 days from the close of such month in a user friendly and downloadable spreadsheet format. All other provisions regarding portfolio disclosure applicable to Mutual Fund schemes, shall also be applicable to the investment strategies under the SIF. Further, AMC shall publish an advertisement in an all India edition of one national English daily newspaper and one Hindi newspaper, every half year, disclosing the hosting of the half-yearly statement of its investment strategies' portfolio on the AMC SIF website and AMFI and the modes through which unitholder(s) can submit a request for a physical or electronic copy of the statement of investment strategy portfolio. The AMC will also provide a dashboard, in a comparable, downloadable (spreadsheet) and machine readable format, providing performance and key disclosures like Investment strategy's AUM, investment objective, expense ratios, portfolio details, investment strategy's past performance etc. on website.
Half Yearly Results	The Specialized Investment Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the AMC SIF website and AMFI. The Specialized Investment Fund shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Specialized Investment Fund is situated. The unaudited financial results will also be displayed on the website of the AMC SIF http://qsif.com/statutory-disclosures and AMFI website.

Annual Report	The Investment strategy annual report or an abridged summary thereof shall be mailed (emailed, where e mail id is provided unless otherwise required) to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) and full annual report shall be available for inspection at the Head Office of the Specialized Investment Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any. Investment strategy wise annual report shall also be displayed on the website of the AMC SIF (http://qsif.com/statutory-disclosures) and on the website of Association of Mutual Funds in India (www.amfiindia.com). Unitholders whose email addresses are not registered with the AMC SIFmay 'opt-in' to receive a physical copy of the annual report or an abridged summary thereof. Further, AMC shall provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on a specific request received from a unitholder. AMC shall also publish an advertisement every year, in an all India edition of one national English daily newspaper and in one Hindi newspaper, disclosing the hosting of the investment strategy wise annual report on the website of the AMC SIF and AMFI and the modes through which a unitholder can submit a request for a physical or electronic copy of the annual report or abridged summary thereof.
Risk Band	Risk band forms part of the Product labeling and depicts Risk band of the investment strategy. The risk band of the investment strategy shall be in accordance with Paragraph 12 of SEBI Circular dated February 27, 2025 and circulars issued thereunder from time to time and regulatory framework issued by AMFI communication No. 35P/ MEM-COR/ 14 / 2025-26 dated April 21, 2025.
Disclosure of Risk band of investment strategies and benchmark (SO. 38)	In terms of Clause 5.16 of SEBI Master Circular on Mutual Funds dated June 27, 2024 and SEBI Circular dated November 05, 2024 and regulatory framework issued by AMFI communication No. 35P/ MEM-COR/ 14 / 2025-26 dated April 21, 2025., the risk band of the investment strategies and benchmark shall be disclosed while disclosing the performance of the investment strategies from time to time**.**
Disclosure of Investment Strategy Summary Document	The Investment Strategy Summary Document of each investment strategy shall be disclosed on AMC SIF website and uploaded AMFI portal in three different formats, ie. Pdf, excel and xml.

B. ***Scenario Analysis for Derivatives Positions (As specified by AMFI)***

Equity Oriented Investment Strategies

The following table shows the performance of Nifty50 index and individual performance of other indices:

Nifty50	**10.00%**
IT Sector	**-15.00%**
Banking Sector	**8.50%**

Total AUM of Investment Strategy	**₹ 100,000,000**

Scenario 1: Without any unhedged short derivative exposure

Portfolio		**Weight (NAV/Total NAV)**	**Net Asset Value(NAV)**	**PnL (Nifty up by 10%)**	**PnL (Nifty down by 10%)**
Equity	Nifty50	95.0%	₹ 95,000,000	₹ 9,500,000	₹ -9,500,000
Cash	-	5.0%	₹ 5,000,000	₹ -	₹ -
Total		**100.0%**	**₹ 100,000,000**	**₹ 9,500,000**	**₹ -9,500,000**
				9.50%	**-9.50%**

Scenario 2: 25% short exposure in IT Sector

Portfolio		**Weight (NAV/Total NAV)**	**Net Asset Value(NAV)**	**PnL (Nifty up by 10%)**	**PnL (Nifty down by 10%)**
Equity	Nifty50	70.0%	₹70,000,000	₹ 7,000,000	₹ -7,000,000
Unhedged Futures Short	IT Sector	25.0%	₹ 25,000,000	₹ 3,750,000	₹ -3,750,000
Cash		5.0%	₹5,000,000	₹ -	₹ -
Total		**100.000%**	**₹100,000,000**	**₹ 10,750,000**	**₹ -10,750,000**
				10.75%	**-10.75%**

Scenario 3: 25% short exposure in Banking Sector

Portfolio		**Weight (NAV/Total NAV)**	**Net Asset Value(NAV)**	**PnL (Nifty up by 10%)**	**PnL (Nifty down by 10%)**
Equity	Nifty50	70.0%	₹ 70,000,000	₹ 7,000,000	₹ -7,000,000
Unhedged Futures Short	Banking Sector	25.0%	₹ 25,000,000	₹ - 2,125,000	₹ 2,125,000
Cash		5.0%	₹ 5,000,000	₹ -	₹ -
Total		**100.000%**	**₹ 100,000,000**	**₹ 4,875,000**	**₹ -4,875,000**
				4.88%	**-4.88%**

Scenario 4: 15% short exposure in IT Sector and 10% short exposure in Banking sector

Portfolio		**Weight (NAV/Total NAV)**	**Net Asset Value(NAV)**	**PnL (Nifty up by 10%)**	**PnL (Nifty down by 10%)**
Equity	Nifty50	70.0%	₹ 70,000,000	₹ 7,000,000	₹ -7,000,000
Unhedged Futures Short	IT Sector	15.0%	₹ 15,000,000	₹ 2,250,000	₹ -2,250,000
Unhedged Futures Short	Banking Sector	10.0%	₹ 10,000,000	₹ - 850,000	₹ 850,000
Cash		5.0%	₹ 5,000,000	₹ -	₹ -
Total		**100.000%**	**₹ 100,000,000**	**₹ 8,400,000**	**₹ -8,400,000**
				8.40%	**-8.40%**

Note:

1	Equity Derivatives may include exchange traded Futures and Options on equity securities
2	NAV is representative of the market value at the asset level and aggregates to 100% at the fund level

C. ***Liquidity risk management tools and its applicability*** – Not Applicable, as it is an open ended equity investment strategy.

D. ***Transparency/NAV Disclosure*** **(Details with reference to information given in Section I) (SO. 41)**

Net Asset Value This is the value per unit of the investment strategy on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	The AMC will calculate and disclose the first NAV of the Investment Strategy within a period of 5 business days from the date of allotment. Subsequently, the NAVs will be calculated and disclosed on all the Business Days. The AMC shall update the NAVs on the website Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day and shall also update the NAVs on the website of AMC SIF (http://qsif.com/) before 11.00 p.m. on every Business Day for a given business day. If the NAVs are not available before the commencement of Business Hours on the following day due to any reason, the Specialized Investment Fund shall issue a press release giving reasons and explaining when the Specialized Investment Fund would be able to publish the NAV. Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.

E. ***Transaction charges and stamp duty***

Transaction Charges	Not Applicable
Stamp Duty	Specialized Investment Fund units issued against Purchase transactions (whether through lump-sum investments or SIP or STP or switch-ins or reinvestment under IDCW Option) would be subject to levy of stamp duty @ 0.005%* of the amount invested. Transfer of Specialized Investment Fund units (such as transfers between demat

	accounts) are subject to payment of stamp duty @ 0.015%. The rate and levy of stamp duty may vary as amended from time to time. *Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, and subsequent Notification dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India. The stamp duty will be deducted from the net investment amount i.e. gross investment amount less any other deduction like transaction charge. Units will be created only for the balance amount i.e. net investment amount as reduced by the stamp duty. The stamp duty will be computed at the rate of 0.005% on an inclusive method basis.

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

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

The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.

Tax	**Resident Investors**	**Non-Resident Investors**	**Specialized Investment Fund**
Tax on Income Distribution under IDCW Option	Slab rates plus applicable surcharge and cess	20% plus applicable surcharge and cess [2]	NIL
Capital Gains [1] Long Term *(period of holding: more than 12 months)* Short Term *(period of holding: up to 12 months)*	12.50% (without indexation benefit) plus applicable surcharge and cess on gains exceeding Rs.1,25,000 in a year 20% plus applicable surcharge and cess	12.50%[2] (without indexation & foreign exchange fluctuation benefit) plus applicable surcharge and cess on gains exceeding Rs.1,25,000 in a year 20% plus applicable surcharge and cess [2]	

1. Securities Transaction Tax (STT) @ 0.001% is applicable on redemption of units of equity-oriented specialized investment funds.

2.The Specialized Investment Fund will pay/deduct taxes as per the applicable tax laws on the relevant date considering the provisions of the Income-tax Act, 1961 read with the Income-tax Rules, 1962 and any circulars or notifications or directives or instructions issued thereunder. Please note that grant of DTAA benefit, if any, is subject to fulfilment of stipulated conditions under the provisions of the Income-tax Act, 1961 and the relevant DTAA as well as interpretation of relevant Article of such DTAA.

In case of Resident Investors: TDS is applicable at the rate of 10% on income distributed in excess of Rs.10,000 by a Specialized Investment Fund.

In case of Non-Resident Investors: TDS is applicable on any income in respect of units of a Specialized Investment Fund at lower of 20% (plus applicable surcharge and cess) or rate of income-tax provided in the relevant DTAA (read with CBDT Circular no. 3/2022 dated 3rd February 2022), provided such investor furnishes valid Tax Residency Certificate

(TRC) for concerned FY. Tax will be deducted on Short-term/Long-term capital gains at the tax rates (plus applicable Surcharge and Health and Education Cess) specified in the Finance Act 2025 at the time of redemption of units in case of Non-Resident investors (other than FIIs) only.

TDS at higher rates: In case PAN is not furnished or PAN is inoperative, then TDS as per Section 206AA of the Income-tax Act, 1961 would apply (higher of specified rate or rates in force or 20%) would apply, subject to Rule 37BC of the Income-tax Rules, 1962.

Withholding tax applicability on payments to non-filers of return:

As per section 206AB of Income-tax Act, 1961, tax to be deducted at twice the applicable rate in case of payments to specified person (except nonresident not having permanent establishment in India or person who is not required to furnish the return of income as notified by the Central Government) who has not furnished the return of income for the assessment year relevant to previous year immediately preceding the financial year in which tax is required to be deducted:

• For which time limit for filing return has expired; and
• The aggregate of tax deducted at source or tax collected at source in his case is Rs. 50,000 or more in the said previous year.
Additionally, if provisions of section 206AA are also applicable then tax to be deducted at higher of the two rates provided i.e. rate as per section 206AB or section 206AA.
Investors are requested to note that the tax position prevailing at the time of investment may change in future due to statutory amendment(s). The Specialized Investment Fund will pay/deduct taxes as per the applicable tax laws on the relevant date considering the provisions of the Income-tax Act, 1961. Additional tax liability, if any, imposed on investors due to such changes in the tax structure, shall be borne solely by the investors and not by the AMC or Trustee.

3. Under section 10(23D) of the Income tax Act, 1961, income earned by a Specialized Investment Fund registered with SEBI is exempt from income tax. qsif (offered by quant Mutual Fund) is registered with Securities and Exchange Board of India (SEBI) and is as such eligible for benefits u/s. 10(23D) of the Income-tax Act, 1961.

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

I. List of official points of acceptance:

Details are uploaded on http://qsif.com/about-us/contact-us.

J. 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
(SO. 48) (SO. 49)

Please refer AMC SIF website http://qsif.com/downloads/kim for latest updates.

The Investment Strategy under this Investment Strategy Information Document was approved by the Trustee Company on April 17, 2025. The Trustees have ensured that the qsif Equity Long-Short Fund approved by them is a new product of qsif (offered by quant Mutual Fund) and is not a minor modification of any existing Investment Strategy. **(SO. 65) (SO. 66)**

Notwithstanding anything contained in this Investment Strategy Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable. *(SO.* 63)

For and on behalf of
quant Money Managers Limited

Sd/-

_____
Sandeep Tandon
Chief Executive Officer

Date: August 06, 2025
Place: Mumbai

Name, address and contact no. of Registrar and Transfer Agent (R&T):
KFin Technologies Limited
Unit: qsif (offered by quant Mutual Fund)
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032
Contact No.: 040-6716 2222
Email id of R&T: Qsif@kfintech.com
Website address of R&T: https://www.kfintech.com
Collecting Banker: HDFC Bank Limited, Fort, Mumbai.

OFFICIAL POINTS OF ACCEPTANCE FOR qsif FOR ONGOING TRANSACTIONS

a. 6th floor, Sea Breeze Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025

b. 05/206, Vaibhav Chambers, Madhusudan Kalelkar Rd, Kala Nagar, Bandra East, Mumbai, Maharashtra 400051

Details of qsif Investor Service Center Offices - KFIN TECHNOLOGIES LIMITED
https://www.kfintech.com/contact-us/#location-container

In addition to the existing official points of acceptance ("OPA") for accepting transactions in the units of the investment strategies of the qsif as disclosed in the I S I D online transactions may also be done on the transaction portal of MFU i.e. https://www.mfuindia.com/

quant Money Managers Limited
(Investment Manager to qsif (offered by quant Mutual Fund)
6th Floor, Sea Breeze Building, AppaSaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India.
TEL 022-6295 5005
EMAIL help.investor@qsif.com
WEB http://qsif.com/

INVESTMENTS IN SPECIALIZED INVESTMENT FUND INVOLVES RELATIVELY HIGHER RISK INCLUDING POTENTIAL LOSS OF CAPITAL, LIQUIDITY RISK AND MARKET VOLATILITY. PLEASE READ ALL INVESTMENT STRATEGY RELATED DOCUMENTS CAREFULLY BEFORE MAKING THE INVESTMENT DECISION