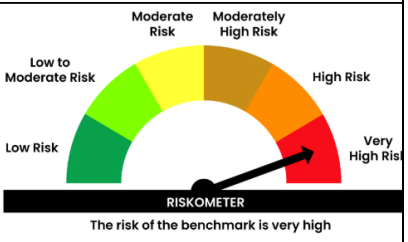
SCHEME INFORMATION DOCUMENT (SID)

SECTION I

ALPHAGREP MULTI ASSET ALLOCATION FUND

(An open ended scheme investing in Equity and Equity related instruments, Debt & Money Market Instruments, Gold/Silver/other permitted Commodities ETFs and Exchange Traded Commodity Derivatives)

This product is suitable for investors who are seeking*:	***Scheme Risk-o-meter***	***Benchmark Riskometer*** ***(35% NIFTY 200 TRI + 45% NIFTY Composite Debt Index + 20% MCX iCOMDEX Composite Index)***
- Long term capital appreciation by investing in a diversified portfolio - Investments in equity and equity related instruments, debt and money market instruments, Commodities ETFs and Exchange Traded Commodity Derivatives		

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

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

Offer for 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: [●]
Scheme re-opens on: Within five business days of allotment date

	Mutual Fund	Asset Management Company	Trustee Company
Name	**AlphaGrep Mutual Fund**	**AlphaGrep Investment Management Private Limited**	**AlphaGrep Mutual Fund Trustee Private Limited**
Address	Unit No. 1408, 14th Floor, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India.	Unit no. 12 A-05, 13th Floor, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India. **CIN:** U67100MH2021PTC358070	Unit No. 1408, 14th Floor, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India. **CIN:** U66190MH2025PTC455751
Website	www.alphagrepmf.co.in	www.alphagrepim.com	-

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026, (hereinafter referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of AlphaGrep Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.alphagrepmf.co.in.

This Scheme Information Document is dated___

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

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

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PART I. HIGHLIGHTS / SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the Scheme**	AlphaGrep Multi Asset Allocation Fund **(Consolidated Std. Obs. 1)**
II.	**Category of the Scheme**	Multi Asset Allocation Fund **(Consolidated Std. Obs. 1)**
III.	**Scheme Type**	An open-ended scheme investing in Equity and Equity related instruments, Debt & Money Market Instruments, Gold/Silver/other permitted Commodities ETFs and Exchange Traded Commodity Derivatives.
IV.	**Scheme Code** **(Consolidated Std. Obs. 7)**	
V.	**Investment Objective**	The objective of the Scheme is to generate long term capital appreciation by investing in a diversified portfolio. The scheme will be investing in Equity and Equity related instruments, Debt & Money Market Instruments, Gold/Silver/other permitted Commodities ETFs and Exchange Traded Commodity Derivatives. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. **(Consolidated Std. Obs. 5)**
VI.	**Liquidity/ Listing Details**	Liquidity will be available through sale and repurchase of units on all business days on an ongoing basis. Unitholders can subscribe to and get their units repurchased on all business days at NAV related prices (with exit load as mandated by AMC from time to time). As per the Master Circular for Mutual Funds dated March 20, 2026 bearing reference no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 ("**Master Circular**"), the Fund shall dispatch Redemption proceeds within 3 working days of receiving the valid Redemption request. A penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time will be paid in case the redemption proceeds are not dispatched /remitted within 3 working days of the date of Redemption request. However, under normal circumstances, the Fund will endeavor to dispatch the Redemption proceeds well before 3 working days from the acceptance of the duly completed Redemption request. **Listing details** - The Scheme is open ended and the Units are not proposed to be listed on any stock exchange. However, the Mutual Fund may, at its sole discretion, list the Units on one or more Stock Exchanges at a later date, and thereupon the Mutual Fund will make suitable public announcement to that effect.
VII.	**Benchmark (Total Return Index)** **(Consolidated Std. Obs. 25)**	(35% NIFTY 200 TRI + 45% NIFTY Composite Debt Index + 20% MCX iCOMDEX Composite Index) The components of the benchmark are based on the AMFI Circular on Benchmark for Multi Asset Allocation Fund. The composition of the benchmark is in line with the intended asset allocation of the fund across the asset class in which the scheme intends to participate over a period of time. The composition of the benchmark is most suited for comparing performance of the Scheme. The AMC in consultation with the Trustees may change the benchmark in future if a benchmark better suited to

		the investment objective of the scheme is available.
VIII.	**NAV Disclosure** **(Consolidated Std. Obs. 41)**	The AMC will calculate and disclose the first NAV of the scheme within a period of 5 (five) Business Days from the date of allotment. Subsequently, the AMC will calculate and disclose the NAVs on all Business Days except under special circumstances. The AMC shall update the NAVs on its website www.alphagrepmf.co.in and of the Association of Mutual Funds in India ("**AMFI**") www.amfiindia.com by 11.00 P.M. on every Business Day. In case the scheme invests in ETCDs, the NAV of the scheme shall be updated by 09:00 a.m. on following business day on the Mutual Fund and AMFI website. For further details, please refer Section II in this SID.
IX.	**Applicable Timelines**	Timeline for: • **Dispatch of Redemption proceeds** - within 3 (three) working days from the date of redemption or repurchase or within such timelines as may be prescribed by SEBI / AMFI from time to time in case of exceptional circumstances or otherwise. In case of delay beyond 3 (three) working days, the AMC is liable to pay interest to the investors at the rate of 15% per annum (or such rate as may be specified by SEBI from time to time) along with the proceeds of redemption or repurchase. • **Dispatch of IDCW** - within 7 (seven) working days from the record date*. *Record Date: Record date shall be two working days from the issue of public notice, wherever applicable, for the purpose of payment of dividend. **Timeline for Dispatch of Dividend**: The Dividend warrants/cheque/demand draft shall be dispatched to the Unit holders within 7 (seven) working days from the Record Date. In the event of failure of dispatch of Income Distribution cum Capital Withdrawal (IDCW) within the stipulated 7 (seven) working days period, the AMC shall be liable to pay interest @ 15 percent per annum to the Unit holders along with the dividend. However, in case of exceptional circumstances mentioned in para 15.3.3 of the Master Circular, redemption or repurchase proceeds/Dividend will be transferred/dispatched to investors within the timeframe prescribed for such exceptional circumstances.
X.	**Plans and Options** Plans/ Options and sub options under the Scheme	**Plans:** i. Regular Plan ii. Direct Plan **Options Under Each Plan(s):** i. Growth ii. Income Distribution cum Capital Withdrawal (IDCW).

		The IDCW will be declared subject to availability and adequacy of distributable surplus. The IDCW can be distributed out of investors capital (equalization reserve), which is part of sale price that represents realized gains. **Sub-options under IDCW:** i. IDCW Payout ii. IDCW re-investment. In case of valid application received without indicating any choice of Option, the following Default Option will be considered for allotment: i. Growth Option - where Growth or IDCW Option is not indicated; ii. Reinvestment of IDCW option - where Payout or Reinvestment is not indicated under IDCW Option. The Plans and Options stated above will have a common portfolio, but separate NAVs, as applicable, shall be applied among Plans and Options. Investors should indicate the Plan viz. Regular/Direct for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the application form. For detailed disclosure on default plans and options, kindly refer **SAI.**
XI.	**Load Structure**	**Exit Load:** If units are redeemed or switched out within 15 days from the date of allotment – 1% of the applicable NAV If units are redeemed or switched out after 15 days from the date of allotment – Nil No Exit Load shall be levied in case of switch transactions from Regular Plan to Direct Plan and vice versa. For further details, please refer Section II in this SID.
XII.	**Minimum Application Amount/ switch in**	Fresh Purchase (Incl. Switch-in): Minimum of Rs. 500/- and in multiples of Re. 1/- thereafter Weekly SIP: Rs. 500/- (plus in multiple of Re. 1/-) Minimum installments: 6 Fortnightly SIP: Rs. 500/- (plus in multiple of Re. 1/-) Minimum installments: 6 Monthly SIP: Rs.500/- (plus in multiple of Re. 1/-) Minimum installments: 6 Quarterly SIP: Rs.500/- (plus in multiple of Re. 1/-) Minimum installments – 6 The applicability of the minimum amount of installment mentioned is at the time of registration only. The AMC reserves the right to change/modify the mode/amount of subscription

		to the Plans & Options of the Scheme. The Scheme does not require maintenance of minimum balance in the units of the Scheme. **(Consolidated Std. Obs. 36)** Note: As per Regulation 22(3)(b) of the SEBI (MF) Regulations read with paragraph 7.14 of the Master Circular, SEBI has, inter alia mandated that a minimum slab wise percentage of the salary/ perks/ bonus/ non-cash compensation (gross annual CTC) net of income tax and any statutory contributions (i.e. PF and NPS) of the Designated Employees of the AMCs shall be mandatorily invested in units of Mutual Fund schemes in which they have a role/oversight. In accordance with the regulatory requirement, the minimum application amount wherever specified in the SID of the Fund will not be applicable for investments made in Schemes of the Mutual Fund in compliance with the aforesaid circular(s).
XIII.	**Minimum Additional Purchase Amount, including switches**	Rs 500/- and in multiples of Re. 1/- thereafter. The AMC reserves the right to change the minimum additional application amount from time to time.
XIV.	**Minimum Redemption /switch-out amount**	Rs. 500/- and in multiples of Re 0.01/- or account balance, whichever is lower. There will be no minimum redemption criterion for Unit based redemption. The AMC reserves the right to change/ modify the terms of minimum redemption amount/switch-out.
XV.	**New Fund Offer Period**	NFO opens on: [●] NFO closes on: [●] As permitted by SEBI, NFO shall remain open for subscription for a minimum period of three (3) working days but not more than fifteen (15) calendar days. Any extension or change to the NFO dates will be subject to the requirement that NFO period does not exceed 15 calendar days. Any changes in dates of NFO will be published through notice on website of the Mutual Fund i.e. www.alphagrepmf.co.in and display of such notice on the notice board at each of the official point for acceptance of transactions for the Mutual Fund. **(Consolidated Std. Obs. 34)**
XVI.	**New Fund Offer Price**	Offer for units of Rs. 10/- each during the New Fund Offer and continuous offer for units at NAV based prices.

XVII.	**Segregated Portfolio/side pocketing disclosure** **(Consolidated Std. Obs. 53)**	The AMC has a written down policy on creation of segregated portfolio. The AMC may create a segregated portfolio of debt and money market instruments in the scheme, in case of a credit event / actual default at issuer level and in order to deal with liquidity risk. Kindly refer to **SAI** for more details.
XVIII.	**Swing Pricing Disclosure** **(Consolidated Std. Obs. 54)**	Not Applicable
XIX.	**Stock lending/short selling**	Pursuant to paragraph 13.6 of the Master Circular, the Scheme may engage in securities lending / short selling in accordance with the framework specified by SEBI. Kindly refer to **SAI** for more details.
XX.	**How to apply and other details** **(Consolidated Std. Obs. 35)**	Applications for purchase/redemption/switches shall be submitted at any of the Investor Service Centres (‘**ISC**’)/ Official Point of Acceptance (‘**OPA**’) of the Fund. The addresses of the ISCs / OPAs are available on the website of the Mutual Fund i.e. www.alphagrepmf.co.in. Additionally, investors can also submit applications online through our website or through the website or mobile application of the RTA. Please refer to the **SAI** and Application form for the instructions For further details, please refer Section II in this SID.
XXI.	**Where can applications for subscription/ redemption be submitted**	For details, please refer section XX - “How to Apply”.
XXII.	**Investor Services**	**<u>Contact details for general service requests</u>**: You may call on Toll Free: 1800-569-8900 (Monday to Friday 9:00 am to 6:00 pm) or write us on email id mentioned below. **<u>Contact details for complaint resolution:</u>** Ms. Vasudha Shah Investor Relations Officer Tel No: 1800-569-8900 Email: clientservices@alphagrepmf.co.in Investors also have an option to approach SEBI, by logging a complaint on SEBI’s complaints redressal system (SCORES 2.0), the website address is: https://scores.sebi.gov.in and such other grievance redressal mechanism as may be notified by SEBI from time to time.

XXIII.	**Specific attribute of scheme (such as lock in, duration in case of target maturity scheme /close ended schemes)**	Not Applicable
XXIV.	**Special product/facility available during the NFO and on ongoing basis**	During NFO: 1. Switch-In 2. Systematic Investment Plan 3. Micro SIP 4. SIP Top Up Facility 5. Online Transaction through Website of AlphaGrep Mutual Fund 6. Transactions Through MF Utility ("MFU") 7. Transaction through Channel Partners / Execution Only Platforms (EOP) 8. Stock Exchange Infrastructure Facility 9. Applications Supported by Blocked Amount (ASBA) facility Ongoing Basis: The Following facilities are available under the Scheme. 1. Intra -Scheme Switching Option 2. Inter-Scheme Switching Facility 3. Application / Transaction through Email mode 4. Transactions Through MF Utility ("MFU") 5. Transaction through Channel Partners / Execution Only Platforms (EOP) 6. Systematic Investment Plan 7. Micro SIP 8. SIP Top-Up facility 9. SIP Pause Facility 10. Systematic Withdrawal Plan For details, please refer SAI.
XXV.	**Weblink**	The Total Expense Ratio shall be made available to the investors on the website of the Mutual Fund at www.alphagrepmf.co.in. Scheme Factsheet: The scheme factsheet shall be made available to the investors on the website of the Mutual Fund at www.alphagrepmf.co.in.

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that: **(Consolidated Std. Obs. 55) (Consolidated Std. Obs. 63)**

i. The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the guidelines and directives issued by SEBI from time to time.
ii. All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
iii. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
iv. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
v. The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct.
vi. The AMC has complied with the compliance checklist applicable for Scheme Information Document and there are no deviations from the Regulations.
vii. Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.
viii. The Trustees have ensured that AlphaGrep Multi Asset Allocation Fund approved by them is a new product offered by AlphaGrep Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Sd/-

Date:
Place: Mumbai

Name: Nikita Torka
Designation: Chief Compliance Officer

PART II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS? (Std. obs. 14)

Under normal circumstances, the asset allocation pattern will be:

Instruments	Indicative allocations (% of total assets)	
	Minimum	**Maximum**
Equity & Equity related instruments	35%	80%
Debt and Money Market Instruments	10%	80%
Gold/Silver/other permitted Commodities ETFs and Exchange Traded Commodity Derivatives	10%	60%
Units issued by INVITs	0%	10%

Equity and Equity related instruments including (but not limited to) convertible debentures, equity warrants, convertible preference shares, partially paid shares, index derivatives, rights entitlements to equity shares, global depository receipts, equity derivatives, units issued by REITs, etc.

- Pursuant to paragraphs 8.5, 8.6 and 13.15 of the Master Circular, as may be amended from time to time, the Scheme may also use various derivative and hedging products from time to time in a manner permitted by SEBI to reduce the risk of the portfolio as and when the Fund Manager is of the view that the same is in the best interest of the unit holders of the Mutual Fund. Exposure to equity derivatives for non-hedging purposes may be up to 50% of Equity assets as permitted under the SEBI (Mutual Funds) Regulations, 2026 from time to time **(Consolidated Std. Obs. 20)**.
- The Scheme shall have derivative exposure as per the SEBI (MF) Regulations issued from time to time. The Scheme can take covered call positions for stock derivatives, as permitted by SEBI. Further, the total exposure related to options premium paid will not exceed 20% of the net assets of the Scheme. **(Consolidated Std. Obs. 18(a))**
- **Covered Call:** The Scheme may purchase 'covered call' options as permitted under Para 13.15.1 of the Master Circular. The total notional value (taking into account strike price as well as premium value) of call options written by the scheme shall not exceed 15% of the total market value of equity shares held in that scheme.

Debt securities include, but are not limited to, debt securities of the Government of India, State and Local Governments, Government Agencies, Statutory Bodies, Public Sector Undertakings, Public Sector Banks or Private Sector Banks or any other Banks, Financial Institutions, Development Financial Institutions, and Corporate Entities, collateralized debt securities or any other instruments as may be prevailing and permissible under the Regulations from time to time).

- The Scheme may enter into repos/reverse repos as may be permitted by RBI. A part of the net assets may be invested in the Tri-party repo on Government Securities or treasury bills or repo or in an alternative investment as may be provided by RBI, subject to prior approval from SEBI, if any.

Money market instruments include commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instrument as specified by the Reserve Bank of India from time to time.

- Pursuant to para 13.8 of the Master Circular, the Scheme may participate in the corporate bond repo transactions. The gross exposure of the scheme to repo/reverse repo transactions in corporate debt securities (including listed AA and above rated corporate debt securities and commercial papers (CPs) and certificate of Deposits (CDs)) shall not be more than 10% of the net assets of the Scheme.
- **Investment in debt instruments having structured obligations / credit enhancements :** As per paragraph 13.1(10) of the Master Circular, the investment of the Scheme in unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) below investment grade & in supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade, shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme.
- **Stock Lending:** As per para 13.6 of the Master Circular, the Scheme may lend securities subject to a maximum of 20% in aggregate, of the net assets of the Scheme. Further, the Scheme shall not deploy more than 5% of the Scheme's net assets in securities lending through a single intermediary. These limits shall be applicable at the time of participating in the securities lending by the Scheme. **(Consolidated Std. Obs. 18(e))**

The Scheme may invest upto 5% of its net assets in units of other schemes of the Mutual Fund as and when launched or in units of schemes of any other Mutual Fund, provided the aggregate inter-scheme investment made by all the Schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the NAV of the Mutual Fund. No investment management fees shall be charged for investing in other Schemes of the Fund or in the Schemes of any other mutual fund. **(Consolidated Std. Obs. 18(j))**

As per para 13.18.1 of the Master Circular, the Cumulative Gross Exposure through Equity and Equity related instruments, Debt, Gold/Silver/other permitted Commodities ETFs, Exchange Traded Commodity Derivatives, Derivative positions (including fixed income derivatives), Foreign Securities, repo transactions, credit default swaps on corporate debt securities, units issued by Infrastructure Investment Trusts (INVITs) and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the Scheme. **(Consolidated Std. Obs. 17)**

The scheme may invest upto 30% of the net assets of the Scheme in Exchange Traded Commodity Derivatives (ETCDs) in India, except in commodity derivatives on 'Sensitive Commodities', in accordance with the Master Circular.

In line with Para 5.6 of the Master Circular securities in which investment is made for the purpose of ensuring liquidity (debt and money market instruments) are those that fall within the definition of liquid assets which includes Cash, Government Securities, T-bills and Repo on Government Securities and such other instruments as specified by SEBI in this regard. **(Consolidated Std. Obs. 13)**

Pursuant to para 13.18.6(a) of the Master Circular, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Cash Equivalent shall consist of the

following securities having residual maturity of less than 91 days: a) Government Securities; b) T-Bills; and c) Repo on Government securities **(Consolidated Std. Obs. 14)** and ii) subject to guidelines specified by SEBI, derivatives exposure due to hedging positions may not be included in the aforesaid limit.

** SEBI vide letter dated November 3, 2021, has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.* **(Consolidated Std. Obs. 14)**

Investments in Overseas Securities **(Consolidated Std. Obs. 15)**

- The Scheme may invest in Foreign Securities including ADR / GDR/ ETFs/mutual funds upto 35% of its total assets subject to investment restriction specified by SEBI/RBI from time to time.
- The maximum amount that can be invested by the schemes of the Mutual Fund in Foreign Securities, calculated based on the cost of investments in Foreign Securities as per RBI Circular AP (DIR) Series Circular No. 3 dated July 26, 2006, read with Para 13.11 of the Master Circular, permits the Mutual Fund to invest in Foreign Securities i.e. US $ 1 billion per Mutual Fund, within the overall industry limit of US$ 7 billion. Further, investments in overseas Exchange Traded Fund (ETF(s)) is subject to a maximum of US $ 300 million per Mutual Fund, within the overall industry limit of US $ 1 billion. All the requirements as per Para 13.11 of the Master Circular would be adhered to by the AMC for investment in foreign securities.
- Limits for a period of six months from the date of closure of NFO: The Scheme intends to invest up to US $ 100 million in foreign securities including overseas ETFs, subject to guidelines laid down by SEBI vide Para 13.11 of the Master Circular. Investment in Overseas Securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time. **(Consolidated Std. Obs. 16)**

The Scheme shall not invest/participate/engage in: **(Consolidated Std. Obs. 18)**

- Advancement of any loans
- Fund of Fund Schemes

Investments will be made in line with the asset allocation of the Scheme and the applicable SEBI and / or AMFI guidelines as specified from time to time.

The margin may be placed in the form of such securities / instruments / deposits as may be permitted/eligible to be placed as margin from the assets of the Scheme. The securities / instruments / deposits so placed as margin shall be classified under the applicable category of assets for the purposes of asset allocation.

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

Sl. no	Type of Instrument	Percentage of exposure	Circular references
1.	Equity Derivatives for non-hedging purposes **(Consolidated Std. Obs. 20)**	Upto 50% of the equity assets of the scheme	Para 13.15 of the Master Circular
2.	Securities Lending	• Not more than 20% of the net assets of a Scheme can generally be deployed in Stock Lending. • Not more than 5% of the net assets of a Scheme can generally be deployed in Stock Lending to any single approved intermediary/ counterparty.	Paragraph 13.6 of the Master Circular
3.	Fixed Income Derivatives for hedging purposes	Upto 50% of the Debt assets of the scheme	Para 13.15 of the Master Circular
4.	Units issued by InvITS (**Consolidated Std. Obs. 18(h)**)	Upto 10% of the net assets. For investments in units of an InvIT issued by a single issuer – upto 5% of the net assets	Para 13.13 of the Master Circular
5.	Securitized Debt	Upto 20% of the Fixed Income Assets	Para 13.1 of the Master Circular
6.	Overseas Securities **(Consolidated Std. Obs. 15)**	35% of the net assets of the scheme, subject to regulatory limits. Further, it may please be noted that all the provisions as mentioned in Para 13.11 related to 'Overseas Investments' of the Master Circular shall be complied. The investments shall be made subject to approval of threshold limits received from SEBI/ RBI from time to time.	Para 13.11 of the Master Circular
7.	Instruments with special features (e.g. AT1 and AT2	a) Upto 10% of its NAV of the debt portfolio of the Scheme and b) Upto 5% of its NAV of	Para 13.1(9) of the Master Circular

	Bonds)	the debt portfolio of the Scheme at single issuer level. The above exposure will be subject to the overall limit for debt instruments issued by a single issuer and other prudential limits with respect to the debt instruments.	
8.	Investment in debt instruments having structured obligations/ credit enhancements	Upto 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme.	Para 13.1(10) of the Master Circular
9.	Credit Default Swap	Upto 10% of the net assets of scheme and shall be within the overall limit of derivatives exposure as prescribed in this SID	Para 13.17 of the Master Circular
10.	Units of mutual fund schemes of the AMC or in the Scheme of other mutual funds	The Scheme may invest in units of schemes of AlphaGrep Mutual Fund and/or any other mutual fund subject to the overall limit of upto 5% of the net asset value of the Mutual Fund. Further, the Scheme shall not invest in units of Specialized Investment Funds (SIFs).	Clause 3 of Sixth Schedule of SEBI (MF) Regulations read with paragraph 13.14 of the Master Circular
11.	Short Selling	The Scheme may engage in short selling in accordance with the applicable SEBI guidelines / regulations.	Regulation 41(7) and 42(4) of the SEBI (MF) Regulations read with paragraph 13.6 of the Master Circular
12.	Exchange Traded Commodity Derivatives	upto 30% of the net assets	Clause 13.16.9 of the Master Circular
13.	Repo transactions in corporate debt securities	Upto 10% of net assets of the scheme	Clause 13.8 of the Master Circular

(Consolidated Std. Obs. 18)

Deployment of funds collected during NFO period

In accordance with paragraph 7.24 of the Master Circular, the AMC shall deploy the funds garnered in an NFO within 30 Business Days from the date of allotment of units.

In an exceptional case, if the AMC is not able to deploy the funds in 30 Business Days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee of the AMC. Basis root cause analysis, 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 Trustee shall also monitor the deployment of funds collected in NFO and take steps, as may be required, to ensure that the funds are deployed within a reasonable timeframe.

In case the funds are not deployed as per the asset allocation mentioned in the SID as per the aforesaid mandated plus extended timelines, AMC shall:

i. not be permitted to receive fresh flows in the same scheme till the time the funds are deployed as per the asset allocation mentioned in the SID.
ii. not be permitted to levy exit load, if any, on the investors exiting such scheme(s) after 60 Business Days of not complying with the asset allocation of the scheme.
iii. inform all investors of the NFO, about the option of an exit from the concerned scheme 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.

Portfolio rebalancing of deviation due to short term defensive consideration: (Consolidated Std. Obs. 23) (Consolidated Std. Obs. 24)

As per Para 1.9.1(b) of the Master Circular, as may be amended from time to time, the Fund Manager(s) of the Mutual Fund believes that market or economic conditions are not favourable to unitholders of the Mutual Fund may change the investment pattern of the Scheme for a short term and for defensive considerations in line with para 1.9.1(b)of the Master Circular. In such conditions, investments may be made in assets such as cash, cash equivalents or other short term instruments such as money market instruments, purely as a temporary defensive strategy. The Fund Manager will rebalance the portfolio within 30 calendar days from the date of deviation. In case the portfolio is not re-balanced within 30 days, justification for the same shall be recorded in writing and will be placed before the Investment Committee of the AMC. The Investment Committee will then decide on further course of action, subject to requirements specified by SEBI in this regard.

Portfolio rebalancing in case of passive breach: (Consolidated Std. Obs. 22) (Consolidated Std. Obs. 24)

As per Para 3.11 of the Master Circular, as may be amended from time to time, in the event of deviation from mandated asset allocation as specified in the Indicative Table above, due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the Fund Manager shall rebalance the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to sixty (60) Business Days from the date of completion of mandated rebalancing period. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines, the AMC shall:

i) not be permitted to launch any new scheme till the time the portfolio is rebalanced.

ii) not levy exit load, if any, on the exiting investors.

Further, in case the AUM of deviated portfolio is more than 10% of the AUM of main portfolio of the Scheme,

- The AMC shall immediately communicate the same to the investors of the Scheme after the expiry of the mandated rebalancing period (i.e. 30 business days) through SMS and email/ letter including details of portfolio not rebalanced.
- The AMC shall also immediately communicate to the investors through SMS and email/letter when the portfolio is rebalanced.
- The AMC shall disclose scheme wise deviation of the portfolio (beyond aforesaid 10% limit) from the mandated asset allocation beyond 30 Business Days, on the website i.e. www.alphagrepmf.co.in
- The AMC shall also disclose any deviation from the mandated asset allocation to investors along with periodic portfolio disclosures as specified by SEBI from the date of lapse of mandated plus extended rebalancing timelines.

The above norms shall be applicable to main portfolio and not to segregated portfolio(s). However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of Scheduled Commercial Banks, subject to the guidelines mentioned by SEBI from time to time. **(Consolidated Std. Obs. 24)**

B. WHERE WILL THE SCHEME INVEST?

(Std. obs. 15) (Consolidated Std. Obs. 29)

The corpus of the Scheme shall be invested in accordance with the investment objective of the Scheme in any (but not exclusively) of the following securities and subject to such requirements as may be specified by SEBI from time to time:

1. Equity and equity related securities including Indian Depository Receipts (IDRs), convertible debentures, convertible preference shares, partially paid shares, index derivatives, global depository receipts, rights entitlements to equity shares, equity derivatives, units of Real Estate Investment Trust and warrants carrying the right to obtain equity shares.
2. Foreign securities as permitted by RBI and SEBI.
3. Securities issued/guaranteed by the Central, State and local Governments and/or repos/reverse repos in such Government Securities as may be permitted by SEBI / RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
4. Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
5. Corporate debt securities (of both public and private sector undertakings)
6. Gold/Silver/other permitted Commodities ETFs and Exchange Traded Commodity Derivatives. The Scheme intends to invest in other permitted commodities like Crude oil, natural gas, zinc, copper, etc.
7. Securities issued by banks (both public and private sector) including term deposit with the banks as permitted by SEBI from time to time, subject to approval from SEBI / RBI as required and development financial institutions.
8. Money market instruments, as permitted by SEBI/ RBI, having residual maturities of up to 1 year or for a shorter duration as may be permitted under applicable law. Money market instruments include commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, Tri-party repo (TREPS) and any other like instrument as specified by the RBI from time to time.
9. The non-convertible part of convertible securities
10. Derivative instruments like Stock / Index Futures, Stock / Index Options and such other derivative instruments permitted by SEBI.
11. Units of mutual fund schemes
12. Cash and cash equivalents
13. Units issued by InvITs
14. Certificate of Deposits
15. Listed Commercial Paper
16. Repo in corporate debt securities
17. Floating Rate Instruments
18. Repurchase and reverse repurchase obligations in securities as may be permitted by RBI otfher than repo in corporate debt securities
19. Pending deployment of funds, the Scheme can invest in short term deposits of scheduled commercial banks in terms of Para 13.7 of the Master Circular.
20. Any other domestic fixed income securities as permitted by SEBI, subject to requisite approvals from SEBI/RBI, if needed.
21. Any other instruments as may be permitted by SEBI from time to time, subject to regulatory approval, if any.

Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.

Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed, subject to the transfer being done at prevailing market price for quoted instruments on spot basis and the securities transferred are in conformity with the investment objective of the scheme to which the transfer has been made and such other requirements as may be prescribed by SEBI with respect to inter-scheme transfers. **(Consolidated Std. Obs. 30)**

Please refer Section II of the document for further details of each instrument.

C. WHAT ARE THE INVESTMENT STRATEGIES?

The scheme follows an active investment strategy **(Consolidated Std. Obs. 27).** The Scheme follows a systematic, rule-based investment framework designed to generate long-term capital appreciation through disciplined allocation across multiple asset classes. Portfolio decisions are driven by quantitative models that utilize measurable inputs and structured data, ensuring that investment actions remain objective, consistent, and repeatable. The framework aims to minimize behavioural biases and discretionary overrides, while retaining flexibility for informed human intervention. The overall approach seeks to maintain robustness across varying market conditions through a consistent and transparent decision-making process.

- **Multi-Asset Allocation Framework**

  The Scheme invests across equity and equity-related instruments, fixed income and money market instruments, commodity ETFs, exchange traded commodity derivatives, etc. Allocation across these asset classes is dynamically determined using systematic signals derived from valuation metrics, macroeconomic indicators, and market-based risk measures.
  The objective of this diversified allocation is to construct a portfolio of assets with differentiated return drivers and low to moderate correlation, thereby enhancing risk-adjusted returns and reducing overall portfolio volatility.

- **Equity Allocation Strategy**

  The equity component of the Scheme is constructed using a data-driven, factor-based approach applied across market capitalizations, including large cap, mid cap, and small cap securities. Stock selection and portfolio weighting are determined through quantitative models that evaluate securities on multiple attributes such as valuation, growth, profitability, momentum, and market sentiment.
  These models incorporate both traditional linear factors and advanced analytical techniques capable of identifying complex, non-linear relationships within financial data. Signals are evaluated on a cross-sectional basis to identify relative opportunities within the investable universe. The resulting portfolio aims to achieve a balanced exposure to multiple return drivers while maintaining adherence to predefined risk parameters.

- **Debt and Money Market Allocation Strategy**

  The fixed income allocation is designed to provide stability, income generation, and liquidity within the overall portfolio. Investments are made across a diversified set of instruments including government securities, corporate bonds, money market instruments, securitized debt, etc. in accordance with regulatory guidelines.
  Allocation decisions within fixed income are guided by assessment of interest rate dynamics, yield curve positioning, credit spreads, and macroeconomic conditions. The framework seeks to optimize risk-return trade-offs by balancing duration, credit exposure, and liquidity considerations.

- **Commodities Allocation Strategy**

The Scheme includes exposure to commodity ETFs, exchange traded commodity derivatives, etc. excluding sensitive commodities as per regulatory norms.

Commodity allocation is determined through systematic signals reflecting inflation trends, currency movements, global macroeconomic conditions, and relative asset valuations. This component of the portfolio serves as a diversification tool and a potential hedge against inflationary pressures and currency depreciation.

- **Dynamic Allocation Process**

The Scheme employs a tactical asset allocation framework that periodically adjusts exposures across asset classes based on quantitative signals. These signals incorporate valuation indicators, macroeconomic variables such as growth and inflation, market volatility measures, and cross-asset correlations.

The allocation process is governed by predefined rules to ensure consistency, while allowing adaptive responses to evolving market conditions. This dynamic approach aims to enhance portfolio efficiency by increasing exposure to relatively attractive asset classes and reducing exposure to less favourable ones.

- **Derivatives Strategy**

The Scheme may utilize derivative instruments for purposes including hedging, portfolio rebalancing, and efficient exposure management, in line with regulatory provisions. Derivatives may also be used to implement systematic strategies where appropriate.

Given the leveraged nature of derivative instruments, their use involves inherent risks, including the possibility of amplified losses. The effectiveness of such strategies depends on the accuracy of model signals and execution. While derivatives can enhance portfolio efficiency and risk management, there is no assurance that such strategies will achieve the intended outcomes.

For detailed derivative strategies, please refer to SAI.

- **Risk Control**

Risk management is an integral component of the investment process and is embedded within model design, signal generation, and portfolio construction. The framework incorporates multiple layers of risk control, including diversification across asset classes, securities, and factors, as well as continuous monitoring of volatility, drawdowns, and correlation structures.

Systematic constraints are applied to ensure that portfolio exposures remain aligned with the Scheme's intended risk profile. Additionally, derivative instruments may be used selectively to hedge risks and manage portfolio exposures.

While the strategy is designed to mitigate risks through disciplined and data-driven processes, it does not eliminate the possibility of losses.

- **Portfolio Turnover**

Portfolio turnover is an outcome of the systematic investment process and may vary depending on signal

changes, market conditions, and investor flows. As an open-ended scheme, subscriptions and redemptions may contribute to trading activity.

The investment framework seeks to balance responsiveness to new information with transaction cost efficiency. Trading decisions are optimized to ensure that turnover contributes positively to overall portfolio performance after accounting for associated costs.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE? (Std. obs. 9)

The Scheme benchmark will be 35% NIFTY 200 TRI + 45% NIFTY Composite Debt Index + 20% MCX iCOMDEX Composite Index

The components of the benchmark are based on the AMFI Circular on Benchmark for Multi Asset Allocation Fund.

The composition of the benchmark is in line with the intended asset allocation of the fund across the asset class in which the scheme intends to participate over a period of time. The composition of the benchmark is most suited for comparing performance of the Scheme.

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

E. WHO MANAGES THE SCHEME? (Std Obs 10) (Consolidated Std Obs 33)

Name of the fund manager	Age and Qualification	Previous Experience (last 10 years)	Other Funds Managed
Mr. Ravneet Singh	Age: 37 years Qualification : B.Tech. in Computer Science and Engineering from the Indian Institute of Technology Delhi	• AlphaGrep Investment Management Private Limited) (November 2025 - Present) • Alphagrep Securities Private Limited (October 2024 – October 2025) • Microsoft India (R&D) Pvt. Ltd. (February 2021 – May 2023) • Nomura Structured Finance Services Private Limited (Dec 2020 – Feb 2021) • Alphagrep Securities Private Limited (October 2015 – July 2020)	-

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

Not applicable since this is a new scheme being launched by the Mutual Fund.

G. HOW HAS THE SCHEME PERFORMED (if applicable)

Not applicable since this a new scheme being launched by the Mutual Fund and does not have any performance track record.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. **Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors to be provided through a functional website link that contains detailed description.)**

Not applicable as it is a new scheme. However appropriate disclosure in this respect will be available at www.alphagrepmf.co.in (**Consolidated Std. Obs. 26**)

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

Not applicable.

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

Portfolio of the Scheme shall be disclosed as on last day of the month/half year within 10 days from the end of month/half year. Portfolio shall be disclosed on Mutual fund's website - www.alphagrepmf.co.in and on AMFI website – www.amfiindia.com. Portfolio shall be disclosed in a user-friendly and downloadable spreadsheet format.

iv. **Functional website link to the respective addendums to the SID after the last update of SID**

Not applicable as it is a new scheme. However appropriate disclosure in this respect will be available at www.alphagrepmf.co.in

v. **Portfolio Turnover Rate particularly for equity oriented schemes shall also be disclosed.**

Not applicable

vi. **Aggregate investment in the Scheme by:**

S.No.	Category of Persons	Net Value	
1.	Concerned Scheme's Fund Manager(s)	Units	NAV per Unit
Not applicable			

The above disclosures are not applicable since this Scheme is a new scheme and does not contain any details. For any other disclosure w.r.t investments by key personnel and AMC directors including

regulatory provisions in this regard kindly refer SAI**.**

Investments of AMC in the Scheme (Std. Obs 1)

Subject to the SEBI (MF) Regulations, the AMC may invest in the Scheme based on the risk associated with the Scheme. The AMC shall invest in the Scheme based on the risk associated with the Scheme as specified in para 7.13 of the Master Circular read with AMFI Best Practice Guidelines Circular 135/BP/100/2022-23 dated April 26, 2022 and any other circulars issued there under, from time to time.

During the NFO period, AMC's investment shall be made during the allotment of units and shall be calculated as a percentage of the final allotment value excluding AMC's investment pursuant to the circular issued by SEBI in this regard. In addition to investments as mandated above, the AMC may invest in the Scheme subject to the SEBI (MF) Regulations. Under the SEBI (MF) Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme. **(Consolidated Std. Obs. 58)**

The Scheme may invest in other schemes managed by the AMC or in the schemes of any other mutual funds, provided it is in conformity to the investment objective of the Scheme and in terms of the prevailing SEBI (MF) Regulations. As per the SEBI (MF) Regulations, no investment management fees will be charged for such investments.

The investors can refer to the investments made by the AMC in the scheme on the website at www.alphagrepmf.co.in

Part III- OTHER DETAILS

A. COMPUTATION OF NAV (Consolidated Std. Obs. 42)

The NAV of the units of the Scheme would be computed by dividing the net assets of the scheme by the number of outstanding units on the valuation date. The AMC shall value the investments according to the valuation norms (Valuation Policy), as specified in the Seventh Schedule of the SEBI (Mutual Funds) Regulations, 2026 or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the **SAI**.

NAV for the Scheme and the repurchase prices of the units will be calculated and announced at the close of each Business Day. The NAV shall be computed upto four decimals. The NAV of Direct Plan will be different from the NAV of Regular Plan.

The income earned and the profits realized in respect of the Units issued under the Growth Option remain invested and are reflected in the NAV of the units.

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

NAV (Rs.) =

$$\frac{\text{Market or Fair Value of Scheme's investments + Current Assets - Current Liabilities and Provision}}{\text{No. of units outstanding under the scheme on the valuation date}}$$

Market or Fair Value of Scheme's investments= Rs. 100,00,00,000
Current assets including accrued income = Rs. 1,00,00,000
Current Liabilities and provisions including accrued expenses = Rs.2,00,000
No. of units outstanding under the scheme = 10000000
NAV=(100,00,00,000+1,00,00,000-2,00,000)/10000000
Hence NAV of the scheme will be = Rs. 100.9800

Methodology of calculating the sale price

The price or NAV a unitholder is charged while investing in an open ended scheme is called sale / subscription price. Pursuant to paragraph 11.7.1 of the Master Circular no entry load will be charged by the Scheme to the unitholders.

Therefore, Sale / Subscription price = Applicable NAV

Methodology of calculating the repurchase price

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

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

For example, If the Applicable NAV of the Scheme is Rs. 10 and the Exit Load applicable at the time of investment is 1% if redeemed before completion of 1 year from the date of allotment of units and the unitholder redeems units before completion of 1 year, then the repurchase/redemption price will be: = Rs. 10*(1-0.01) = Rs. 9.90 as required under the SEBI (Mutual Funds) Regulations, 2026, the AMC shall ensure that the repurchase price of an open-ended scheme shall not be lower than 97% of the NAV. **(Consolidated Std Obs 47) (Std Obs 17(b))**

NAV will also be displayed on the website of the Mutual Fund and on the website of AMFI. In addition, the ISCs would also display the NAV.

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

B. NEW FUND OFFER (NFO) EXPENSES

These are expenses are incurred for the purpose of various activities related to the NFO such as sales, communication, statutory expenses, and distribution fees paid, marketing and advertising, registrar expenses, printing and stationery, bank charges etc. As required under Regulation 66(3) of the SEBI (MF) Regulations, all NFO expenses will be borne only by the AMC and not by the Scheme. Accordingly, the NFO expenses would be incurred from AMC books and not from Scheme's books.

C. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include the 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:

Considering the asset allocation pattern of the scheme, AMC has estimated maximum Base expense ratio (BER) of 1.85 % for Regular Plan, on the daily average net assets of the Scheme, will be charged to the Scheme as expenses, as given below. For actual current expenses being charged, the investor should refer to the website of the mutual fund.

Direct Plan under the Scheme shall have a lower expense ratio than Regular Plan, excluding distribution expenses, commission, etc., and no commission shall be paid from Direct Plan. 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 a Regular Plan.

Limits specified under SEBI (MF) Regulations for BER is as follows:

a. on the first Rs. 500 crore of the Scheme's daily net assets - upto 1.85%;
b. on the next Rs. 250 crore of the Scheme's daily net assets – upto 1.65%;
c. on the next Rs. 1,250 crore of the Scheme's daily net assets – upto 1.40%;
d. on the next Rs. 3,000 crore of the Scheme's daily net assets – upto 1.25%;
e. on the next Rs. 5,000 crore of the Scheme's daily net assets – upto 1.15%;

f. on the next Rs. 40,000 crore of the Scheme's daily net assets - Expense Ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof;
g. on balance of the assets – upto 0.70 %

Provided that the mutual fund scheme that offers to charge base expense ratio based on the performance of the scheme shall comply with the expense ratio structure and disclosures thereto as specified by SEBI from time to time.

Expense Head	**% of daily Net Assets**
Investment Management & Advisory Fee	Up to 1.85%
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 fees, commission and charges towards distribution of schemes	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education, awareness and financial inclusion[&]	
Brokerage & transaction cost incurred towards execution of trades	
Cost of statutory advertisements	
Other Expenses as may be specified or approved by SEBI	
Maximum base expenses ratio (BER) permissible under Regulation 66(7)	Up to 1.85%
Statutory levies (including GST) on all expenses excluding brokerage and transaction cost	As applicable (including GST of 18%)
Statutory levies (including GST) on brokerage and transaction cost	As applicable (including GST of 18%)
Total expense ratio	Up to 1.85% + statutory levies (as applicable)

[&]In terms of para 11.9 of the Master Circular, AMCs shall annually set apart 0.02% of the daily net assets of the Scheme for investor education, awareness and financial inclusion initiatives. **(Consolidated Std. Obs. 43)**

Additional expenses under Regulation 66:

1. Brokerage costs incurred for the execution of trades, may be charged by the mutual fund scheme, over and above the base expense ratio subject to a maximum of 0.06% of the trade value in case of cash market transactions and 0.02% of trade value in case of derivative transactions. Expenses charged towards brokerage, over and above the specified limit, shall be a part of the base expense ratio limit specified in Regulation 66(7) of the SEBI (MF) Regulations.

2. Transaction cost incurred for the purpose of execution of a trade shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable. Such transaction costs shall not form part of the base expense ratio.

3. The total expenses charged to the Scheme shall not exceed the limits stated in Regulation 66 of the SEBI (Mutual Funds) Regulations, 2026 and as permitted under SEBI circulars issued from time to time.

4. Further, in accordance with paragraph 11.6 of the Master Circular, the AMC shall be authorized and permitted to provide additional incentives to empanelled distributors for onboarding new individual investors (new PAN) from B-30 cities at the Mutual Fund level and new women individual investors (new PAN) from both top 30 and B-30 cities. In this regard, the additional commission required to be paid to concerned distributors by the AMC, shall be as follows:

Investment mode	Commission Structure
Lump sum investment	1% of the amount of the first application, subject to maximum of INR 2,000, provided that the investor remains invested for a minimum period of 1 (one) year.
Systematic Investment Plan (SIP)	1% of the total investment made during the first year, subject to maximum of INR 2,000.

The aforementioned additional distribution commission shall be paid out of the 2 bps on daily net assets mandated to be set apart annually by the AMC for investor education, awareness and financial inclusion initiatives subject to adequate clawback provisions and the additional distribution shall be in addition to the trail commission to be paid to the distributors from the concerned scheme.

The following schemes shall be excluded from the applicability of the additional commission eligibility for distributors: (a) Exchange Traded Funds; (b) Fund of Funds (domestic) with more than 80% of AUM invested in domestic funds; (c) schemes having duration requirements of less than 1 (one) year- overnight funds, liquid funds, ultra short duration funds and low duration funds. **(Consolidated Std. Obs. 46)**

5. The Mutual Fund would update the current expense ratios on the website www.alphagrepmf.co.in at least 3 (three) working days prior to the effective date of the change and update the BER under the tab 'BER ' on the website.

6. The AMC shall prominently disclose the TER of all schemes under a separate head titled **"Total Expense Ratio"** on its website. The TER shall also be disclosed on the website of the Association of Mutual Funds in India. Any change in the BER shall be updated on the Mutual Fund's website and AMFI's website at least **three (3) working days prior to the effective date of such change**. The current TER of the Scheme, along with a downloadable spreadsheet detailing the expense structure, is available on the Mutual Fund's website at www.alphagrepmf.co.in under the "TER" section and on AMFI's website at www.amfiindia.com

Impact of TER on returns of both Direct plan and Regular plan through an illustration may be provided **(Consolidated Std. Obs. 44)**

Expense ratio, normally expressed as a percentage of Average Assets under Management, is calculated by dividing the permissible expenses under the SEBI (Mutual Funds) Regulations, 2026. by the average net assets. To further illustrate the above in rupees terms, for the Scheme under reference, suppose an Investor invested Rs. 10,000/- (after deduction of stamp duty and transaction charges, if any) the impact of expenses charged will be as under:

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

Note(s):

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

For the actual current expenses being charged to the scheme, investors should refer to the website of the mutual fund at link: www.alphagrepmf.co.in. Any change proposed to the current expense ratio will be updated on the website at least 3 (three) working days prior to the change.

As per the SEBI (Mutual Funds) Regulations, 2026, the total recurring expenses that can be charged to the Scheme shall be subject to the applicable guidelines. The total recurring expenses of the scheme will however be limited to the ceilings as prescribed under Regulation 66(7) of the Regulations.

D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the Mutual Fund (www.alphagrepmf.co.in) or may call at toll free no. - 1800-569-8900 or your distributor.

As per paragraph 11.7.1 of the Master Circular there shall be no entry load for all Mutual Fund Schemes. **(Consolidated Std. Obs. 47)**

Type of Load	Load chargeable (as %age of NAV)
Exit*	If units are redeemed or switched out within 15 days from the date of allotment – 1% of the applicable NAV If units are redeemed or switched out after 15 days from the date of allotment – Nil

* The load on other types of transaction could Switch in/out, SIP/SWP/STP (as applicable).

No Exit Load shall be levied in case of switch transactions from Regular Plan to Direct Plan and vice versa

Any imposition or enhancement of exit load in future shall be applicable on prospective investments only. At the time of changing the Load Structure:

a. The addendum detailing the changes will be displayed on the website of the Mutual Fund www.alphagrepmf.co.in
b. The addendum detailing the changes will be attached to SID and Key Information Memorandum. The addendum will be circulated to all the distributors / brokers so that the same can be attached to all SIDs and Key Information Memorandum.
c. Arrangements will be made to display the addendum in the form of a notice in all the Investor Service Centres and distributors / brokers office.
d. The introduction of the exit load along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the accounts statement issued after the introduction of such load.
e. Any other measure which the AMC may consider necessary.

The AMC reserves the right to change the load structure any time in future if they so deem fit on a prospective basis. The investor is requested to check the prevailing load structure of the scheme before investing. Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service

The AMC reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations. However, the Redemption /Repurchase Price will not be lower than 97% of the NAV. **(Consolidated Std. Obs. 47) (Std Obs 17(b))**

SECTION II

I. Introduction

A. Definitions/interpretation

For detailed description please refer the website of the Mutual Fund at link: www.alphagrepmf.co.in

B. Risk factors

Scheme specific risk factors (Consolidated Std. Obs. 8):

1) Risks associated with investing in Equity and Equity Related Instruments

- The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the NAV of the units of the Scheme may fluctuate and can go up or down.
- The Mutual Fund may not be able to sell securities, which can lead to temporary illiquidity. There are risks inherent in 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. Such failure can result in a possible loss of rights to be collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.
- Investors may note that dividend is due only when declared and there is no assurance that a company (even though it may have a track record of payment of dividend in the past) may continue paying dividend in future. As such, the scheme is vulnerable to instances where investments in securities may not earn dividend or where lesser dividend is declared by a company in subsequent years in which investments are made by scheme. As the profitability of companies are likely to vary and have a material bearing on their ability to declare and pay dividend, the performance of the scheme may be adversely affected due to such factors.
- 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. The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests.
- 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
- Further, the volatility of medium / small - capitalization stocks may be higher in comparison to liquid large capitalization stocks.

- Fund Manager endeavors to generate returns based on certain past statistical trend. The performance of the Scheme may get affected if there is a change in the said trend. There can be no assurance that such historical trends would continue.
- In case of abnormal circumstances, it will be difficult to complete the square off transaction due to liquidity being poor in stock futures/spot market. However, the scheme will aim to take exposure only into liquid stocks where there will be minimal risk to square off the transaction.
- Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to investors in the Scheme or business prospects of the Company in any particular sector.
- Investments in equity and equity related securities involve a certain degree of risk and Investors should not invest in the equity scheme unless they can afford to take the risk of losing their investment.

2) **Risks associated with investing in fixed income**

- **Market Risk:** The NAV of the Scheme, to the extent invested in debt and money market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- **Interest-Rate Risk:** Fixed income securities such as government bonds, corporate bonds, money market instruments and derivatives run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest, credit quality, demand and supply. However, in case of Government securities credit risk remains zero, their prices are influenced by the movement in interest rates in the financial system. In case of floating rate instruments, an additional risk could arise because of changes in spreads of floating rate instruments. With increase in spread of floating rate instruments, the price can fall and with decrease in spread of floating rate instruments, the prices can rise. Moreover, the floating rate instruments having a periodical interest rate reset carry lower interest rate risk compared to a fixed rate debt security. However, in the falling interest rate scenario, the returns on floating rate debt instruments may not be better than those on fixed rate debt instruments.
- **Liquidity Risk :** Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme and may lead to the scheme incurring losses till the security is finally sold. The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.
- **Price Risk:** Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. This 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.

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

- **Regulatory Risk:** Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the scheme.

- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed. Consequently, the proceeds may get invested at a lower rate.

- **Credit Risk:** This risk means that the issuer of a debenture/bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer/instrument goes down. Different types of securities in which the scheme(s) would invest as given in the scheme information document carry different levels and types of risk. Accordingly, the Scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

- **Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the Scheme investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

- **Basis Risk**: During the life of a floating rate security or a swap, the underlying benchmark index may become less active and may not capture the actual movement in interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio.

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

- **Counterparty Risk:** This is the risk of failure of counterparty to a transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the Scheme in case of a counterparty default.

- **Duration Risk:** Duration risk refers to the movement in price of the underlying invested money market / debt instruments due to movement/change in interest rates over different durations of

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

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

3) Risks associated with investing in foreign securities (Consolidated Std. Obs. 11)

Investment in overseas securities / overseas ETFs offers new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objective of the Scheme. Since the Scheme would invest only partially in overseas securities/ overseas ETFs, there may not be readily available and widely accepted benchmarks to measure performance of the scheme. To manage risks associated with foreign currency and interest rate exposure, the Scheme 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.

To the extent that the assets of the Scheme 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 the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of the other restrictions on investment.

Offshore investments will be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Scheme in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The Scheme may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub- custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs, and overseas regulatory costs.

Keeping in mind the investment limit in foreign securities currently applicable to Mutual Fund under the Master Circular, if overall limit for the Mutual Fund in overseas securities reaches USD 1 billion or the overall limit for Mutual Fund Industry in overseas securities reaches USD 7 billion, then Mutual Fund will not be able to invest in overseas securities / will not be able to do incremental overseas investment, unless such limit is increased or further directions is received from SEBI or RBI in this regard. It may be noted that the cap of USD 1 billion will be monitored and enforced at the Mutual Fund level and not at the individual scheme level. **(Consolidated Std. Obs. 16)**

4) Risks associated with investing in securitized debt:

Securitized debt papers carry credit risk of the Obligors and are dependent on the servicing of the PTC/Contributions etc. However, these are offset suitably by appropriate pool selection as well as credit enhancements specified by Rating Agencies. In cases where the underlying facilities are linked to benchmark rates, the securitized debt papers may be adversely impacted by adverse movements in benchmark rates. However, this risk is mitigated to an extent by appropriate credit enhancement specified by rating agencies. Securitized debt papers also carry the risks of prepayment by the obligors. In case of prepayments of securities debt papers, it may result in reduced actual duration as compared to the expected duration of the paper at the time of purchase, which may adversely impact the portfolio yield. These papers also carry risk associated with the collection agent who is responsible for collection of receivables and depositing them. The Investment team evaluates the risks associated with such investments before making an investment decision. The underlying assets in the case of investment in securitized debt could be mortgages or other assets like credit card receivables, automobile/vehicle/ personal/commercial/corporate loans and any other receivables/ loans/debt. The risks associated with the underlying assets can be described as under:

Credit card receivables are unsecured. Automobile/vehicle loan receivables are usually secured by the underlying automobile/vehicle and sometimes by a guarantor. Mortgages are secured by the underlying property. Personal loans are usually unsecured.

Corporate loans could be unsecured or secured by a charge on fixed assets/receivables of the company or a letter of comfort from the parent company or a guarantee from a bank/financial institution. As a rule of thumb, underlying assets which are secured by a physical asset/guarantor are perceived to be less risky than those which are unsecured. By virtue of this, the risk and therefore the yield in descending order of magnitude would be credit card receivables, personal loans, vehicle/automobile loans, mortgages and corporate loans assuming the same rating.

Liquidity in Securitized Debt may be affected by trading volumes, settlement periods and transfer procedures. These factors may cause potential losses from being not able to sell the securitized debt instruments at its fair value. Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risks. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than government securities. Further, even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

5) <u>Risks associated with investing in derivatives</u> (Consolidated Std Obs 28)

The Scheme may use various derivative products as permitted by under the SEBI (MF) Regulations.

Use of derivatives requires an understanding of not only the underlying instrument but also of the derivative itself. Other risks include the risk of mis-pricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

The Scheme may use derivatives instruments like Stock /Index Futures or other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the SEBI (MF) Regulations and guidelines issued thereunder. Usage of derivatives will expose the scheme to certain risks inherent to such derivatives. 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.

Derivatives are highly leveraged instruments. Even a small price movement in the underlying **security** could have a large impact on their value.

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. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative add to the portfolio and the ability to forecast price of securities being hedged and interest rate movements correctly.

The specific risk factors arising out of a derivative strategy used by the Fund Manager **may** be as below:

- Lack of opportunity available in the market.
- Valuation Risk: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place. The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue. Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.
- Basis Risk: This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying asset being hedged. The risk may be interrelated also e.g., interest rate movements can affect equity prices, which could influence specific issuer/industry assets.
- Stock Exchanges could increase the initial margin, variation margin or other forms of margin on derivative contracts, impose one sided margins or insist that margins be placed in cash. All of these might force positions to be unwound at a loss and might materially impact returns.

- Operational / Systemic Risk: This is the risk arising due to failure of operational processes followed by the exchanges and Over The Counter (OTC) participants for the derivatives trading.
- Exposure Risk: An exposure to derivatives in excess of the hedging requirements can lead to losses. An exposure to derivatives can also limit the profits from a plain investment transaction.
- Implied Volatility: The estimated volatility of an underlying security's price and derivatives price.
- Systemic Risk: The risk inherent in the capital market due to macro-economic factors like Inflation, GDP, Global events.
- Counterparty Risk: There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "**counter party**") to comply with the terms of the derivatives contract. The counter party may default on a transaction before settlement and therefore, the Scheme is compelled to negotiate with another counterparty at the then prevailing (possibly unfavorable) market price. The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.
- Credit Risk: The Credit Risk is the risk that the counter party will default in its obligations and is generally small as in a derivative transaction there is generally no exchange of the principal amount.

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. (**Consolidated Std. Obs. 28**)

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.

6) <u>Risks associated with securities lending:</u>

Engaging in securities lending is subject to risks related to fluctuations in collateral value and settlement/liquidity and counter party risks. The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in 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 Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity and in turn cannot protect from the falling market price of the said security.

7) <u>Risks associated with segregated portfolio</u>

Liquidity risk (Consolidated Std. Obs. 12)– A segregated portfolio is created at the discretion of the AMC, when a credit event / default occurs at an issuer level in the scheme. This may reduce the

liquidity of the security issued by the said issuer, as demand for this security may reduce. This is also further accentuated by the lack of secondary market liquidity for corporate papers in India. As per SEBI norms, the scheme is to be closed for redemption and subscriptions until the segregated portfolio is created, running the risk of investors being unable to redeem their investments. However, it may be noted that, the proposed segregated portfolio is required to be formed within one day from the occurrence of the credit event.

Investors may note that no redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall list the units of the segregated portfolio on a recognized stock exchange within 10 Business Days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests. For the units listed on the exchange, it is possible that the market price at which the units are traded may be at a discount to the NAV of such Units. There is no assurance that an active secondary market will develop for units of segregated portfolio listed on the stock exchange. This could limit the ability of the investors to resell them. There may be possibility that the security comprising the segregated portfolio may not realize any value.

Valuation risk - The valuation of the securities in the segregated portfolio is required to be carried out in line with the applicable SEBI guidelines. However, it may be difficult to ascertain the fair value of the securities due to absence of an active secondary market and difficulty to price in qualitative factors.

8) <u>Risks associated with Securities Lending & Borrowing (SLB)</u>

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

The risks in security lending consist of the failure of intermediary / counterparty, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the intermediary / counterparty. Such failure to comply can result in the possible loss of rights in 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 Scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

9) <u>Risks associated with Repo Transactions in Corporate Debt Securities</u>

Lending Transactions: The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo lending transactions, the collateral may be sold, and a loss is realized only if the sale price is less than the repo amount. The risk may be further mitigated through over-collateralization (the value of the collateral being more than the repo amount). Further, the liquidation of underlying securities in case of counterparty default would depend on liquidity of the securities and market conditions at that time. It is endeavored to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation and over-collateralization to cushion the impact of market risk on sale of underlying security.

Collateral risk also arises when the market value of the securities is inadequate to meet the repo obligations or there is downward migration in rating of collateral. Further if the rating of collateral goes below the minimum required rating during the term of repo or collateral becomes ineligible for any reason, counterparty will be expected to substitute the collateral. In case of failure to do so, the AMC / Scheme will explore the option for early termination of the trade.

Borrowing Transactions: In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin). This risk is normally mitigated by better cash flow planning to take care of such repayments. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date. It is endeavored to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation.

10) Risk Factors associated with Investments in InvITs

Market Risk: InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures. The scheme will undertake active portfolio management as per the investment objective to reduce the market risk.

Credit Risk: In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. 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 InvIT units 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 for which a liquid market exists.

As the liquidity of the investments made by the scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. 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 units.

Reinvestment Risk: Investments in 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. However, the reinvestment risk will be limited as the proceeds are expected to be a small portion of the portfolio value.

Risk of lower than expected distributions: The distributions by the InvIT will be based on the net

cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the INVIT receives as dividends or the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate based on, among other things:

- success and economic viability of tenants and off-takers
- economic cycles and risks inherent in the business which may negatively impact
- valuations, returns and profitability of portfolio assets
- force majeure events related such as earthquakes, floods etc. rendering the portfolio assets inoperable
- debt service requirements and other liabilities of the portfolio assets
- fluctuations in the working capital needs of the portfolio assets
- ability of portfolio assets to borrow funds and access capital markets
- changes in applicable laws and regulations, which may restrict the payment of dividends by portfolio assets
- amount and timing of capital expenditures on portfolio assets
- insurance policies may not provide adequate protection against various risks associated with operations of the InvIT such as fire, natural disasters, accidents
- taxation and other regulatory factors

11) <u>Risk associated with Interest Rate Future (IRF):</u>

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

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

The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. Correlation weakening and consequent risk of regulatory breach: SEBI (MF) Regulations mandates minimum correlation criterion of 0.9 (calculated on a 90-day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

12) **<u>Risks associated with investing in Tri-party Repo (TREPS) through CCIL</u>**

The Mutual Fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India Limited (CCIL). All transactions of the Mutual Fund in government securities and in Tri- party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The Mutual Fund is exposed to the extent of its contribution to the default fund of CCIL at any given point in time i.e. in the event that the default waterfall is triggered and the contribution of the Mutual Fund is called upon to absorb settlement/default losses of another member by CCIL, the Scheme may lose an amount equivalent to its contribution to the default fund. Further, it may be noted that CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

13) Performance Risk:

Performance risk refers to the risk of a scheme being unable to generate returns matching / above the returns of the scheme's benchmark. It would also mean the scheme underperforming against its peer set of other mutual fund schemes having similar portfolios, scheme classification, objective, benchmark and asset allocation. These risks could arise due to a variety of market and economic activities, government policies, global economic changes, currency fluctuations, tax policies, political changes, corporate actions and investors' behaviour.

14) Risks associated with 'Right to limit redemptions'

Subject to the approval of Board of Directors of the AMC and Trustee Company and immediate intimation to SEBI, a restriction on redemptions may be imposed by the Scheme under certain exceptional circumstances, which the AMC / Trustee believe that may lead to a systemic crisis or event that constrict liquidity of most securities or the efficient functioning of markets. Please refer to the paragraph "Right to Limit Redemptions" for further details including the procedure to be followed while imposing restriction on redemptions.

No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so through stock exchange mode. (**Consolidated Std. Obs. 56**)

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

In respect of transaction in units of the Scheme through stock exchange platform(s), allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by the stock exchange(s) and their respective clearing corporations on which the Fund has no control.

16) 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 scheme to sell such debt instruments and generate liquidity for the scheme or higher impact cost when such instruments are sold.

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

17) <u>Risks associated with Covered Call Strategy</u>

The risk associated with covered calls is the loss of upside, i.e. if the shares are assigned (called away), the option seller forgoes any share price appreciation above the option strike price.

The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.

The writing of covered call option would lead to loss of opportunity due to appreciation in value of

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

18) Risks associated with Repo transactions in Corporate Bonds

The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk is further mitigated through over-collateralization (the value of the collateral being more than the repo amount).

19) Risks associated with investment in units of mutual fund

Investment in Mutual Fund Units involves investment risks, including but not limited to risks such as liquidity risk, volatility risk, default risk including the possible loss of principal.

- Liquidity risk – The liquidity of the Scheme's investments is inherently restricted by trading volumes and settlement periods. In the event of an inordinately large number of redemption requests, or of a restructuring of the Scheme's investment portfolio, these periods may become significant. In view of the same, the right to limit redemptions will be in accordance with SEBI mandated process.
- Volatility risks: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The Scheme will manage volatility risk through diversification across companies and sectors.
- Default risk - Credit risk is risk resulting from uncertainty in counterparty's ability or willingness to meet its contractual obligations. This risk pertains to the risk of default of payment of principal and interest. Government Securities have zero credit risk while other debt instruments are rated according to the issuer's ability to meet the obligations.

20) Risks Associated with 'Restriction on Redemption in Mutual Funds'

Subject to the approval of Board of Directors of the AMC and Trustee Company and immediate intimation to SEBI, a restriction on redemptions may be imposed by the Scheme under certain exceptional circumstances, which the AMC / Trustee believe that may lead to a systemic crisis or event that constrict liquidity of most securities or the efficient functioning of markets.

21) Risk associated with potential change in Tax structure

This summary of tax implications given in the taxation section is based on the current provisions of the applicable tax laws. This information is provided for general purpose only. The current taxation laws may change due to change in the 'Income Tax Act 1961' or any subsequent changes/amendments in Finance Act/Rules/Regulations. Any change may entail a higher outgo to the scheme or to the investors by way of securities transaction taxes, fees, taxes etc. thus adversely impacting the scheme and its returns.

22) **Risk factors associated with investing in Gold/Silver related instrument(s), Gold ETFs, Silver ETFs**

The Scheme shall invest in Gold and Silver Exchange Traded Funds (Gold ETFs) and other Gold and Silver related instruments (including derivatives, Sovereign Gold Bonds etc as and when SEBI/RBI permits) subject to compliance with the SEBI (MF) Regulations and requirements specified under the Master Circular. There is no assurance that gold or Silver will maintain its long-term value in terms of purchasing power. In the event of price of gold declining, the value of investment in Units of the Scheme is expected to decline proportionately.

The value (price) of gold may fluctuate for several reasons and all such fluctuations will impact the NAV of Units under the Scheme. The factors that may affect the price of gold, among other things, include demand and supply for gold in India and in the global market, Indian and Foreign exchange rates, interest rates, inflation trends, market risks including trading risks in gold as commodity, legal restrictions on the movement/trade of gold that may be imposed by RBI, Government of India or countries that supply or purchase gold to/from India, trends and restrictions on import/export of gold in and out of India, etc.

Several factors that may affect the price of Silver are as follows:

- Global silver supplies and demand, which is influenced by factors such as forward selling by silver producers, purchases made by silver producers to unwind silver hedge positions, government regulations, productions and cost levels in major silver producing countries.
- Investors' expectations with respect to the macro-economic indicators;
- Currency exchange rates;
- Interest rates;
- Investment and trading activities of hedge funds and commodity funds;
- Global or regional political, economic or financial events and situations.
- In addition, investors should be aware that there is no assurance that silver will maintain its long-term value. if the price of silver declines, the value of investment in units is expected to decline proportionately.
- Changes in indirect taxes like custom duties for import, sales tax, VAT or any other levies will have an impact on the valuation of Silver and consequently the NAV of the Scheme.
- Demand side and/or supply side constraints in domestic and/or international markets.

Common Risk factors associated with investments in Gold and Silver ETFs:

- **Currency Risk:** The formula for determining NAV of the Units of Gold/ Silver ETFs is based on the imported (landed) value of gold/silver respectively. Landed value of gold/ silver held by Gold ETFs/Silver ETFs is computed by multiplying international market price by US dollar value. The value of gold/silver or NAV, therefore will depend upon the conversion value of US dollar into Indian rupee and attracts all the risks attached to such conversion.
- **Regulatory Risk:** Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Authorised Participant of Gold ETFs/Silver ETFs to arbitrage resulting into wider premium/ discount to NAV. Any changes in the regulations relating to import and export of gold/silver or gold/silver jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the underlying Gold ETFs/Silver ETFs respectively to buy / sell gold/silver respectively against the purchase and redemption requests received. Units of Gold ETFs/Silver ETF may be acquired from the stock exchanges where the price quoted may be at variance with the underlying

NAV, resulting in higher acquisition costs.

- **Redemption Risk:** The units issued under the Scheme, when invested in Gold/Silver ETFs, will derive liquidity from the underlying Gold/Silver ETF having creation / redemption process in creation unit size of predefined quantity of physical gold/Silver (e.g. 1 kg). At times prevailing market conditions may affect the ability of the underlying Gold/Silver ETFs to sell gold/silver respectively against the redemption request received.

- **Taxation:** Conversion of underlying physical gold/silver into units of Gold/silver ETFs respectively may attract capital gain tax depending on acquisition cost and holding period. Moreover, converting units of the underlying scheme to Gold/silver may also attract Wealth tax. Furthermore, Gold/silver is subject to indirect tax not restricted to the following: Sales Tax, Octroi, VAT, Stamp Duty, and Custom Duty. Hence, any change in the rates of taxation/applicable taxes would affect the valuation of the Scheme.

  Furthermore, the endeavour would always be to get cash on redemptions from the underlying Gold/Silver ETFs. However, in case the underlying Gold/Silver ETF is unable to sell for any reason, and delivers physical gold, there could be delay in payment of redemption proceeds pending such realization. Additionally, the Scheme will derive liquidity from trading units of underlying Gold/Silver ETFs on the exchange(s) in the secondary market which may be inherently restricted by trading volumes, settlement periods and transfer procedures. As there is no active secondary market for Gold/Silver ETFs, the processing of redemption requests at times may be delayed. In the event of an inordinately large number of redemption requests, or re-structuring of the Scheme's investment portfolio, the processing of redemption requests may be delayed. Gold/Silver ETFs would ordinarily repurchase Units in Creation Unit Size. Thus, Unit holding less than Creation Unit Size can only be sold through the secondary market on the Exchange. Further, the price received upon the redemption of Units of Gold/Silver ETFs may be less than the value of the gold/silver represented by them.

- **Market Trading Risks:** Although units of Gold/Silver ETFs are listed on recognised stock exchange(s), there can be no assurance that an active secondary market will be developed or be maintained. Trading in units of Gold/Silver ETFs on the Exchange may be halted because of market conditions or for reasons that in view of the Exchange Authorities or SEBI, trading in units of Gold/Silver ETFs is not advisable. In addition trading in units of Gold ETFs is subject to trading halts caused by extraordinary market volatility and pursuant to the Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of units of Gold/Silver ETFs will continue to be met or will remain unchanged. Any changes in trading regulations by the Stock Exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV.

  The units of Gold/Silver ETFs may trade above or below their NAV. The NAV of Gold/Silver ETFs will fluctuate with changes in the market value of that scheme's holdings. The trading prices of units of Gold /Silver ETFs will fluctuate in accordance with changes in their NAV as well as market supply and demand for the units of Gold/Silver ETF. Gold /Silver ETFs may provide for the creation and redemption of units in Creation Unit Size directly with the concerned Mutual Fund and therefore, it is expected that large discounts or premiums to the NAV of the units of Gold/Silver ETFs will not sustain due to arbitrage opportunity available

  The returns from gold may underperform returns from the various general securities markets or

different asset classes other than gold. Different types of securities tend to go through cycles of out-performance and under-performance in comparison to the general securities markets. The scheme may invest in Gold ETFs. The units may trade above or below their NAV. The NAV of the underlying Scheme will fluctuate with changes in the market value of the holdings. The trading prices will fluctuate in accordance with changes in their NAV as well as market supply and demand. However, given that units of Gold ETFs can be created and redeemed in Creation Units, it is expected that large discounts or premiums to the NAV will not sustain due to arbitrage opportunity available. Value of Gold ETF Units could decrease if unanticipated operational or trading problems arise. In case of investment in Gold ETFs, the scheme can subscribe to the units of Gold ETFs according to the value equivalent to unit creation size as applicable. If subscriptions received are not adequate enough to invest in creation unit size, the subscriptions may be deployed in debt and money market instruments which will have a different return profile compared to gold returns profile.

23) Risks associated with investing in exchange traded commodity derivatives

The Scheme may invest on in commodities markets and may therefore have investment exposure to the commodities markets and one or more sectors of the commodities markets, which may subject the Fund to greater volatility than investments in traditional securities, such as stocks and bonds. Volatility in the commodities markets may be caused by changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates, investment and trading activities of mutual funds, hedge funds and commodities funds, and factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments, or supply and demand disruptions. Because the Fund's performance is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Fund's shares.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies.

- **Systemic Risks:** Systemic risks which may be witnessed while trading in Indian Commodities Market are liquidity risk, market risk in terms of volatility, Exchange Risk and counterparty risks.

- **Settlement Risk** - Risks pertaining to settlement of Commodity Derivatives vide Physical Delivery of goods

  1) Incremental margin / cost to be borne- The Commodity exchanges have robust settlement process like the equity exchanges. However, there are rules and timelines which need to be complied with, failing which delivery of the commodity will need to be taken. This will lead to incremental cost to procure the commodity. Avoidance of the same will lead to the exchange penalizing the buyer or the seller or both depending on the type of commodity being dealt with.

  2) Risk Factors in case settlement of Derivatives vide Physical Delivery of goods - Timelines to dispose off the physical goods, loss due to damage, inadequate insurance.

If the Commodities futures position passes its last square off date or the 'Intention' is missed to be provided before the Delivery Intention period, the buyer or the seller will be allocated delivery of the commodity. Thus, there emerges a risk of holding goods in physical form at the warehouses. Though the commodity is inclusive of insurance cost, there is a small deductible in each claim which is not payable by the Insurance company.

24) Geopolitical and War Risk

The performance of the Scheme may be adversely affected by global and domestic geopolitical developments, including but not limited to war, military conflicts, acts of terrorism, civil unrest, geopolitical tensions, and other similar events. Such developments may lead to increased volatility and disruption in financial markets, adverse movements in interest rates, currency exchange rates, commodity prices, and investor sentiment.

In the event of escalation of geopolitical tensions or outbreak of hostilities (whether declared or undeclared), there may be disruptions to global supply chains, economic sanctions, trade barriers, and restrictions on capital flows. These factors could impact the valuation, liquidity, and overall performance of the Scheme's investments. Further, such events may result in sudden and significant market corrections, reduced liquidity in certain securities, and challenges in executing portfolio transactions. The Scheme may also be exposed to risks arising from changes in government policies, regulatory actions, or interventions by central banks in response to such events.

Investors should note that the occurrence, continuation, or escalation of geopolitical conflicts is inherently unpredictable, and their potential impact on the Scheme cannot be fully mitigated or anticipated.

C. Risk mitigation strategies (Consolidated Std. Obs. 9)

Risk and investment are two sides of the same coin of fund management. Effective risk management is crucial for achieving good performance. Adequate safeguards would be incorporated in the portfolio management process. The main instrument for reducing risk is through diversification. The Fund Manager's job is to identify securities which offer higher returns with a lower level of risk. The fund will endeavour to manage the various risks associated with investing in equity and equity related instruments. Risk is expected to be reduced through diversification of portfolio across various sectors and market capitalizations. The various types of risks identified, and their risk management strategies are as follows:

Risk Type	Risk Management Strategy
Risks associated with Equity investment	

Market Risk -Equity The Scheme is vulnerable to movements in the prices of securities invested by the Scheme, which could have a material bearing on the overall returns from the Scheme. The value of the Scheme's investments, may be affected generally by factors affecting securities markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.	Market risk is a risk which is inherent to an equity scheme. The scheme may use derivatives for hedging purpose to the extent permitted by SEBI.
Derivatives Risk - Equity As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	The Mutual Fund has provision for using derivative instruments for portfolio balancing and hedging purposes. Investments in derivative instruments will be used as per regulatory guidelines. The fund will endeavor to maintain adequate controls to monitor the derivatives transactions entered into.
Liquidity Risk – Equity (Consolidated Std. Obs. 12) In case of arbitrage trades, under abnormal circumstances it will be difficult to square off the transaction due to liquidity being poor in the underlying stock, stock futures or options market.	The Mutual Fund will aim at taking exposure only into liquid stocks / derivatives where there will be minimal risk to square off the transaction.
Currency Risk - Equity The Scheme may invest in foreign securities as permitted by the concerned regulatory authorities in India. Since the assets may be invested in securities denominated in foreign currency, the INR equivalent of the net assets, distributions and income may be adversely affected by	The Scheme subject to applicable regulations shall have the option to enter into forward contracts for the purposes of hedging against the foreign exchange fluctuations. The Schemes may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts,

changes / fluctuations in the value of the foreign currencies relative to the INR.	currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities.
Risks associated with Debt investment	
Market Risk As with all debt securities, changes in interest rates may affect the Scheme's NAV as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.	In a rising interest rates scenario, the Fund Manager will endeavor to increase investment in money market securities whereas if the interest rates are expected to fall, the allocation to debt securities with longer maturity will be increased thereby mitigating risk to that extent.
Liquidity or Marketability Risk This refers to the ease with which a security can be sold at or near to its valuation Yield-To-Maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.	The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. Liquidity risk is today characteristic of the Indian fixed income market. The Scheme will however, endeavor to minimise liquidity risk by investing in securities having a liquid market.
Credit Risk Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.	A traditional SWOT 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 to review its ability to undergo stress on cash flows and asset quality. A detailed evaluation of accounting policies, off balance sheet exposures, notes, auditors' comments and disclosure standards will also be made to assess the overall financial risk of the potential borrower. In case of securitized debt instruments, the fund will ensure that these instruments are sufficiently backed by assets.
Reinvestment Risk This risk refers to the interest rate levels at which cash flows received from the securities in the scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.	Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.
Derivatives Risk - Debt As and when the Scheme trades in the derivatives market, there are risk factors and issues	The Mutual Fund has provision for using derivative instruments for portfolio balancing and hedging purposes. Interest Rate Swaps will be done

concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	with approved counter parties under pre approved ISDA agreements. Mark to Market of swaps, netting off of cash flow and default provision clauses will be provided as per international best practice on a reciprocal basis. Interest rate swaps and other derivative instruments will be used as per regulatory guidelines.
Currency Risk The Scheme may invest in Foreign Securities as permitted by the concerned regulatory authorities in India. Since the assets may be invested in securities denominated in foreign currency, the INR equivalent of the net assets, distributions and income may be adversely affected by changes / fluctuations in the value of the foreign currencies relative to the INR.	The Scheme subject to applicable regulations shall have the option to enter into forward contracts for the purposes of hedging against the foreign exchange fluctuations. The Schemes may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities.
Risk related to Exchange Traded Commodity Derivatives (ETCDs)	
The Scheme may participate in ETCDs.	Investment in commodity has an inherent market risk in terms of volatility, which can be mitigated generally through hedging via commodity derivatives. For this purpose, SEBI has allowed participation in ETCDs only which are likely to have enough liquidity in the market. The settlement risk shall be mitigated by ensuring that the trade positions do not fall in delivery mode. However, as mutual fund schemes participating in ETCDs may hold the underlying goods in case of physical settlement of contracts, such goods shall be disposed of from the books of the Scheme, at the earliest, not exceeding the timeline prescribed under the Regulations.

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II. Information about the scheme:

A. Where will the scheme invest?

The corpus of the Scheme shall be invested in accordance with the investment objective in any (but

not exclusively) of the following securities:

a) Equity and equity related securities including Indian Depository Receipts (IDRs), convertible debentures, convertible preference shares, partially paid shares, index derivatives, global depository receipts, rights entitlements to equity shares, equity derivatives, units of Real Estate Investment Trust and warrants carrying the right to obtain equity shares.

b) Foreign securities as permitted by RBI and SEBI

c) Securities issued/guaranteed by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).

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

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

- Triparty Repo: According to Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018, triparty repo means a repo contract where a third entity (apart from the borrower and lender), called a Triparty Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody, and management during the life of the transaction.

d) Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee

e) Corporate debt securities (of both public and private sector undertakings)

f) Gold/Silver/ other permitted Commodities ETFs and Exchange Traded Commodity Derivatives. The Scheme intends to invest in other permitted commodities like Crude oil, natural gas, zinc, copper, etc.

g) Securities issued by banks (both public and private sector) including term deposit with the banks as permitted by SEBI/RBI from time to time, subject to approval from SEBI / RBI as required and development financial institutions.

h) Money market instruments as permitted by SEBI/RBI, having residual maturities of up to 1 year or for a shorter duration as may be permitted under applicable law. Money market instruments include commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, Tri-party repo (TREPS) and any other like instrument as specified by the RBI from time to time.

i) The non-convertible part of convertible securities

j) Derivative instruments like Stock / Index Futures, Stock / Index Options and such other derivative instruments permitted by SEBI.

k) Units of mutual fund schemes

l) Cash and cash equivalents

- Units issued by InvITs.
  "InvIT" or "Infrastructure Investment Trust" shall mean the trust registered as such under SEBI (Infrastructure Investment Trusts) Regulations, 2014.

m) Certificate of Deposits (CDs): CD is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions that have been permitted

by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year, whereas, in case of FIs, maturity is between one year to 3 years from the date of issue. CDs may be issued at a discount to face value

n) Listed Commercial Paper(CP): CP is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and all India Financial Institutions as an alternative source of short term borrowings. They are issued at a discount to the face value as may be determined by the issuer. CP is traded in secondary market and can be freely bought and sold before maturity.
o) Repo in corporate debt securities
p) Floating Rate Instruments
q) Repurchase and reverse repurchase obligations in securities as may be permitted by RBI other than repo in corporate debt securities
r) Pending deployment of funds, the Scheme can invest in short term deposits of scheduled commercial banks. in terms of Para 13.17 of the Master Circular.
s) The Scheme may engage in stock lending subject to requirements specified by SEBI in this regard.
t) Any other domestic fixed income securities as permitted by SEBI/ RBI subject to requisite approvals from SEBI/RBI, if needed.
u) Any other instruments as may be permitted by SEBI from time to time, subject to regulatory approval, if any.

Subject to the SEBI (MF) Regulations the securities mentioned above could be listed/to be listed, unlisted, privately placed, secured, unsecured and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights issue or negotiated deals. Further, the scheme intend to participate in securities lending as permitted under the regulations. Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time. The Scheme may also enter into repurchase and reverse repurchase in various securities as per the guidelines and regulations applicable to such transactions.

Pending deployment of funds of the scheme in securities in terms of the investment objective of the scheme, the AMC may park the funds of the scheme in short term deposits of scheduled commercial banks, subject to the guidelines mentioned in the Master Circular as amended from time to time. The AMC shall not charge any investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks for the scheme.

Debt Markets in India
(Std Obs 12)

What is a Debt Instrument?

A Debt Instrument is a borrowing obligation which the borrower has to service for mutually agreed period and rate of interest. There are a huge variety of debt or fixed income instruments, as they are usually called. The sheer variety in these instruments mean that they can be classified on the basis of any of these features.

List of Features (list is indicative)

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

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

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

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

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

The following table gives approximate yields prevailing as on March 19, 2026 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro-economic conditions and RBI policy Issuer.

Instrument	Yield level (% per annum)
G-Sec 5 year	6.41%
G-Sec 10 year	6.73%
CP's 3 months	7.44%
CD's 3 months	7.26%
CP's 1 year	7.88%
CD's 1 year	7.62%
PSU	
Corporate Debentures AAA 3 year	7.41%
Corporate Debentures AAA 5 year	7.45%
NBFC	
Corporate Debentures AAA 3 year	7.59%
Corporate Debentures AAA 5 year	7.62%

B. What are the investment restrictions?

Pursuant to the SEBI (MF) Regulations and amendments thereto and subject to the investment pattern of the Scheme, following investment restrictions are applicable:

1) The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Board of Directors of Trustee and the Board of Directors of the AMC.

Further, the scheme shall not invest more than:

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

- The long-term rating of issuers shall be considered for the money market instruments. However, if there is no long-term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating. Provided that such limit shall not be applicable for investments in Government Securities, Treasury Bills and Tri-party Repos on Government securities or treasury bills TREPS.
- Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board

2) The Scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

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

3) 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 mutual fund schemes shall be subject to the following:

- Investments shall only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated, and for which separate investment norms or limits are not provided in SEBI (MF) Regulations and various circulars issued thereunder.
- Exposure of the Schemes in such instruments shall not exceed 5% of the net assets of the Scheme.
- All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees

4) The Mutual Fund under all its Schemes shall not own more than 10% of any company's paid up capital carrying voting rights.
- Provided, 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 6.

5) Transfer of investments from one scheme to another scheme in the same Mutual Fund is permitted provided subject to:
- Such transfers being 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;
- The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

Further the inter Scheme transfer of investments shall be in accordance with the provisions of Para 13.19 of the Master Circular. **(Consolidated Std. obs. 30)**

6) The Scheme may invest in other Schemes under the same AMC or any other Mutual Fund without charging any fees, provided the aggregate inter-Scheme investment made by all the Schemes under the same management or in Schemes under management of any other asset management company shall not exceed 5% of the Net Asset Value of the Mutual Fund. No investment management fees shall be charged for investing in other Schemes of the Fund or in the Schemes of any other mutual fund. Provided that this clause shall not apply to any fund of funds scheme and investments in mutual funds in foreign countries.

7) The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
   - Provided that the Scheme may engage in securities lending and borrowing specified by SEBI.

- Provided further that the Scheme 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 RBI in this regard.

8) The Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned Scheme, wherever investments are intended to be of a long-term nature.

9) Pending deployment of funds of the Scheme in terms of the investment objective of the Scheme, the Mutual Fund may invest them in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI from time to time. currently, the following guidelines/restrictions are applicable for parking of funds in short term deposits:
   - "Short Term" for such parking of funds by mutual funds shall be treated as a period not exceeding 91 calendar days.
   - Such short term deposits shall be held in the name of the Scheme.
   - The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Board of Directors of the Trustee Company. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
   - The Scheme 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 Scheme shall not park funds in short term deposit (STD) of a bank which has invested in that Scheme. Trustees/AMC shall also ensure that the bank in which a scheme has STD does not invest in the said scheme until the scheme has STD with such bank.

The above conditions are not applicable to term deposits placed as margins for trading in cash and derivative market.

- Asset Management Company (AMC) shall not be permitted to charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

10) The Scheme shall not make any investments 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 its net assets.

11) The scheme shall not invest in a Fund of funds scheme.

12) All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.

13) The Scheme shall not invest more than 10% of its NAV in equity shares or equity related instruments of any company. Provided that the limit of 10 per cent shall not be applicable for investments in case of index fund or sector or industry specific scheme.

14) No loans for any purpose shall be advanced by the Scheme.

15) The Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase/ redemption of units or payment of interest to the unit holders. Such borrowings shall not exceed more than 20% of the net assets of the Scheme and the duration of

the borrowing shall not exceed a period of 6 months.

16) The Mutual Fund having an aggregate of securities which are worth Rs.10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by the Board, settle their transactions entered on or after January 15, 1998, only through dematerialized securities. Further all transactions in government securities shall be in dematerialized form

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

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

18) Pursuant to Para 13.18 of the Master Circular, the Cumulative Gross Exposure through Equity, Debt, Derivative position, Foreign Securities and Units issued Infrastructure Investment Trusts (INVITs) and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the Scheme. **(Consolidated Std. Obs. 17)** However, following shall not be considered while calculating the gross exposure:

- Exposure to cash or cash equivalents with residual maturity of less than 91 days;
- Security-wise hedged position subject to the following:
  a. hedging positions are not taken for existing derivatives positions;
  b. any derivative instrument used to hedge has the same underlying security as the existing position being hedged;
  c. the quantity of underlying associated with the derivative position taken for hedging purpose does not exceed the quantity of the existing position against which the hedge has been taken.
- The exposure on account of the call option written under the covered call strategy as specified in paragraph 13.15.1 of the Master Circular.
- Imperfect hedging using IRFs as per paragraph 13.15.2 of the Master Circular subject to a maximum of 20% of the net assets of the Scheme.
- Short position in Exchange Traded Commodity Derivatives (ETCDs) not exceeding the holding of the underlying goods received in physical settlement of ETCD contracts.
- Short position in ETCDs not exceeding the long position in ETCDs on the same goods, where the Scheme shall not write options or purchase instruments with embedded written options in goods or on commodity futures.
- CDS bought for the purpose of hedging credit risk on debt securities wherein the exposure to CDS does not exceed the respective debt security 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. **(Consolidated Std. Obs. 14)**

19) The Scheme will comply with provisions Para 13.18 of the Master Circular, related to overall exposure limits applicable for derivative transactions as stated below:

- The cumulative gross exposure through equity, debt, derivative positions, Foreign Securities & InvITs and across various other asset classes in which the Scheme is permitted to invest should not exceed 100% of net assets of the Scheme.
- The Scheme shall not write options or purchase instruments with embedded written options except for the covered call strategy.
- The total exposure related to option premium paid must not exceed 20% of the net assets of the Scheme.
- Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. **(Consolidated Std. Obs. 14)**
- Exposure due to hedging positions may not be included in the above mentioned limits 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 in Point 1.
  - 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 in point 1 of 18 (above).
- Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counterparty in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if the Mutual Fund is transacting in interest rate swaps 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

- Definition of Exposure in case of Derivative Positions - Each position taken in derivatives shall have an associated exposure as defined below. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

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

- Exposure limit for participating in Interest Rate Futures - In addition to the existing provisions of the Master Circular the following are prescribed:
  - To reduce interest rate risk in a debt portfolio, mutual fund may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average

modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{\text{(Portfolio Modified Duration * Market Value of the Portfolio)}}{\text{(Futures Modified Duration * Future Price/ PAR)}}$$

- In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.
- Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:
  - Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.
  - Mutual Funds are permitted to resort to imperfect hedging without it being considered under the gross exposure limits if and only if the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 13.18.1 of the Master Circular. The correlation should be calculated for a period of last 90 days.

    Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:
    i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or
    ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.

- At no point of time, the net modified duration of part of the portfolio being hedged should be negative.
- The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of Para 13.18 of the Master Circular.
- The basic characteristics of the scheme should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.
- The interest rate hedging of the portfolio should be in the interest of the investors.

20) Restriction in Writing of Covered Call Options by the Scheme:

The Scheme may write Call Options only as part of covered call strategy as under:

In terms of Para 13.15.1 of the Master Circular, mutual fund schemes (except Index Funds and ETFs) have been permitted to write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

a. The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.
b. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of the Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
c. At all points of time the Mutual Fund scheme shall comply with the provisions at points (a) and (b) above. In case of any passive breach of the requirement at paragraph (a) above, the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.
d. In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.
e. In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts. The premium received shall be within the requirements prescribed in terms of Para 13.18 of the Master Circular, i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
f. The exposure on account of the call option written under the covered call strategy shall not be considered in cumulative gross exposure of the Scheme for computing 100% of the net asset of the Scheme.
g. The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired.

21) Position limit for derivatives:

SEBI has permitted Mutual Funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf. Accordingly, Mutual Funds may use various derivative products from time to time, as would be available and permitted by SEBI. The Mutual Fund would comply with the provisions of Para 8.5 and 13.18 of the Master and such other amendments issued by SEBI from time to time while trading in derivatives.

The following position limits in IRF shall be applicable for Mutual Fund level and Scheme level:
(a) Mutual Fund shall have position limits as applicable to trading members presently;
(b) the Scheme shall have position limits as applicable to clients presently; and
(c) position limits as specific by SEBI for mutual funds and its schemes from time to time, shall be applicable.

22) The Scheme may invest in the units of InvITs subject to the following:
- The Mutual Fund under all its schemes shall not own more than 10% of units issued by a single issuer of InvIT; and
- The Scheme shall not invest-
  - more than 10% of its NAV in the units of InvIT; and
  - more than 5% of its NAV in the units of 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 scheme pertaining to InvIT.

23) Conditions for undertaking repo in corporate debt securities:

- The Scheme shall not lend/borrow more than 10% of its net assets of the Scheme in repo against corporate debt securities.
- The total cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt, derivatives and any other permitted assets shall not exceed 100% of the net assets of the scheme.
- The scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
- The exposure limit/investment restrictions prescribed under the Sixth Schedule of the SEBI (MF) Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate debt securities.
- Eligible securities: The Scheme shall participate in repo transactions on following corporate debt securities: (a) listed AA and above related corporate debt securities; (b) commercial papers and certificates of deposits.
- The credit rating of exposures on repo transactions for various purposes including for PRC matrix, liquidity ratios, Risk-o-meter etc. shall be same as that of the underlying securities, i.e., on a look through basis.
- For transactions where settlement is guaranteed by a Clearing Corporation, the exposure shall not be considered for the purpose of determination of investment limits for single issuer, group issuer and sector level limits.
- Counterparty selection & credit rating: The AMC follows an issuer selection and approval process for fixed income investments and the same shall be used for selection of counterparties for repo in corporate debt securities. Repo transactions shall be carried out with only those counterparties who have a credit rating of 'AA and above' (Long term rating) or 'A1+' (Short term rating) provided by any credit rating agency as accredited by SEBI from time to time.
- The Mutual Fund shall be permitted to borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
- Applicable Haircut: The AMC would be guided by the parameters for applying haircut as may be specified by RBI and/or SEBI for undertaking repo in corporate debt securities, from time to time.

24) In line with paragraph 13.1 of the Master Circular, the Scheme's total exposure in a particular sector (excluding investments in Bank CDs, TREPS, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme;

Provided that an additional exposure to financial services sector (over and above the limit of 25%) not exceeding 10% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio/ an affordable housing loan portfolio. **(Consolidated Std Obs 31)**

25) The Scheme's total exposure in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks and not a group company of the Sponsor) shall not exceed 25% of the net assets of the Scheme.

For this purpose, a group means a group as defined under regulation 2 (x) of the SEBI (MF) Regulations.

26) All the investments of the Scheme will be in transferable securities or bank deposits or in money at call or any such facility provided by RBI in lieu of call.

27) Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable to debt instruments under Sixth Schedule of the SEBI (MF) Regulations.

28) All investments by the Scheme in Commercial Papers (CPs) would be made only in CPs which are listed or to be listed.

29) The Scheme will comply with any other Regulation applicable to the investments of mutual funds from time to time.

30) Limit for investment in Foreign Securities: As per paragraph 13.11 of the Master Circular:

- Mutual Fund can make overseas investments subject to a maximum of US $ 1 billion per Mutual Fund, within the overall industry limit of US $ 7 billion.
- Mutual Funds can make investments in overseas Exchange Traded Fund (ETF(s)) subject to a maximum of US $ 300 million per Mutual Fund, within the overall industry limit of US $ 1 billion.

The allocation methodology of the aforementioned limits shall be as follows:

- In case of overseas investments specified at Para 29.1 above, US $ 50 million would be reserved for each Mutual Fund individually, within the overall industry limit of US $ 7 billion.
- Subject to the limit specified in 29.1. and 29.2 above, the Scheme may invest a maximum of US $ 100 million in Foreign Securities (including overseas ETFs) within a period of 6 months from the NFO closure date.

The Scheme shall not have an exposure of more than 35% of its net assets in foreign securities, subject to regulatory limits specified from time to time.

Subject to the approval of the RBI / SEBI and conditions as may be prescribed by them, the Mutual Fund may open one or more foreign currency accounts abroad either directly, or through the custodian/sub-custodian, to facilitate investments and to enter into/deal in forward currency contracts, currency futures, interest rate futures / swaps, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management.

The Mutual Fund may, where necessary appoint intermediaries as sub-managers, sub-custodians, etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses as stated under Regulation 66 of SEBI (MF) Regulations.

31) 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 scheme. Such alterations will be made in conformity with SEBI (MF) Regulations.

32) Apart from the Investment Restrictions prescribed under the SEBI (MF) Regulations , internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time

to time to respond to the dynamic market conditions and market opportunities. **(Consolidated Std. Obs. 19)**

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

C. Fundamental Attributes (Consolidated Std. Obs. 59)

Following are the Fundamental Attributes of the Scheme, in terms of paragraph 1.9 of the Master Circular:

(i) Type of a scheme- An open ended scheme investing inter alia in Equity and Equity related instruments, Debt & Money Market Instruments, Gold/Silver/other permitted Commodities ETFs and Exchange Traded Commodity Derivatives, as specified in Section I of this SID.

(ii) Investment Objective
Main Objective – Please refer to point no. V of 'Part I. Highlights/Summary of the Scheme' and point no. A of 'Part II. Information about the Scheme'.

(iii) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption.
  Being an open-ended Scheme under which sale and repurchase of Units will be made on continuous basis by the Mutual Fund, the Units of the Scheme are generally not proposed to be listed on any stock exchange. However, the AMC / Trustees may at its sole discretion, list the Units under the Scheme on one or more stock exchanges at a later date, if deemed necessary. For details on repurchase, redemption, please refer section 'Other Scheme Specific Disclosures'.
- Aggregate fees and expenses charged to the scheme.
  Please refer to section Part III- Other Details - C. Annual Scheme Recurring Expenses for Details
- Any safety net or guarantee provided.
  This Scheme is not a guaranteed or an assured return scheme.

In accordance with Regulation 22(9)(c) of the SEBI (MF) Regulations and Clause 1.2.2 of the Master Circular the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication(including digital modes such as email/ SMS etc.) about the proposed change is sent to each Unit Holder.
- Details, as specified by SEBI, are appropriately displayed on the website of the Mutual Fund; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

D. Index methodology (for index funds, ETFs and FOFs having one underlying domestic ETF)- Not Applicable

E. Principles of incentive structure for market makers (for ETFs) Not Applicable

F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 14.5.1 of the Master Circular (only for close ended debt schemes) *Not Applicable*

G. Other Scheme Specific Disclosures:

Listing and transfer of units	The Scheme is an open ended scheme and will not be listed on any of the stock exchanges. However, the AMC may, at its discretion, list the Units under the Scheme on one or more stock exchange at a later date. The Units of the Scheme can be transferred in demat form in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time and as stated in Clause 15.1 of the Master Circular. Further, for the procedure of release of lien, the investors shall contact their respective Depository Participant. Transfer of Units held in Non-Demat [Statement of Account ('SOA') Mode]: Additions / deletion of names will not be allowed under any folio of the Scheme except the following categories: a. If a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence. b. Surviving joint holder, who wants to add new joint holder (s) in the folio upon demise of one or more joint unitholder (s). c. Nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee; d. A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s). Redemption of the transferred units shall be subject to cooling period of 10 business days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently. Please refer SAI for further details.
Dematerialization of units	Pursuant to Para 15.7.2 of the Master Circular, AlphaGrep Mutual Fund will provide an option to the investors of the Fund to mention demat account details in the subscription form, in case they desire to hold units in the dematerialised mode. The option to subscribe to the units in the dematerialised mode is available for all the schemes of the Fund, except for subscription through Systematic Investment

	Plan (SIP) and for plans/options.
Minimum Target amount (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	INR 10,00,00,000 (Rupees Ten Crores)
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	The Dividend warrants/cheque/demand draft shall be dispatched to the Unit holders within seven working days from the Record Date. In the event of failure of dispatch of IDCW within the stipulated 07 working Day period, the AMC shall be liable to pay interest @ 15 percent per annum to the Unit holders. The IDCW proceeds will be paid directly into the Unitholder's bank account through various electronic payout modes such as Direct credit / NEFT / RTGS / ECS / NECS etc. unless the Unitholder has opted to receive the proceeds through Warrant / Cheque / Demand Draft. In case of specific request for Dividend by warrants/cheques/demand drafts or unavailability of sufficient details with the Mutual Fund, the Dividend will be paid by warrant/cheques/demand drafts and payments will be made in favour of the Unit holder (registered holder of the Unit or, if there are more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund.
Allotment (Detailed procedure)	Applicants under both the Direct and Regular Plan(s) offered under the Scheme will have an option to hold the units in demat form in addition to the account statement. (**Consolidated Std. Obs. 57(a)**) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the Unitholders registered e-mail address and/or mobile number. Where investors/Unitholders, have provided an email address, an account statement reflecting the units allotted to the Unitholder shall be sent by email on their registered email address. Please note that Primary holder's own email address and mobile number should be provided for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions. The Unitholder may request for a physical account statement by writing / calling the AMC / ISC / RTA. The AMC shall dispatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder. Further, no Unit certificates will be issued to the Unitholder.

	In case of Unit Holders holding units in the dematerialized mode, the AMC will not send the account statement to the Unit Holders. The demat statement issued by the Depository Participant would be deemed adequate compliance with the requirements in respect of dispatch of statements of account. In case of Unit Holders holding units in the dematerialized mode, the AMC will not send the account statement to the Unit Holders. The demat statement issued by the Depository Participant would be deemed adequate compliance with the requirements in respect of dispatch of statements of account
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. The Mutual Fund will refund the application money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. The Refund proceeds will be paid by way of Electronic Funds Transfer (EFT) or such other manner as decided by AMC from time to time if sufficient banking details are available with the Mutual Fund for the Unitholder or else through dispatch of Refund instruments within 5 working days.
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	The following persons (subject, wherever relevant, to purchase of Units, being permitted and duly authorized under their respective constitutions / bye-laws) 1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Hindu Undivided Family (HUF) through Karta; 3. Minor through parent / legal guardian; There shall not be any joint holding with minor investments. (Payment for investment by minor in 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. Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities. 4. Partnership Firms including limited liability partnership firms; 5. Proprietorship in the name of the sole proprietor; 6. Companies, Bodies Corporate, Public Sector Undertakings (PSUs.), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860; 7. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions; 8. Religious and Charitable Trusts, Wakfs or endowments

	of private trusts (subject to receipt of necessary approvals as "Public Securities" as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds; 9. Non-Resident Indians (NRIs) and Overseas Citizen of India (OCI) (including erstwhile Person of Indian Origin card holders) on full repatriation basis and on non-repatriation basis but not residents of Canada 10. Foreign Portfolio Investors (FPIs) registered with SEBI. These investments shall be subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time;; 11. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 12. Scientific and Industrial Research Organisations; 13. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI; 14. Provident/ Pension/ Gratuity Fund to the extent they are permitted; 15. Other schemes of AlphaGrep Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations; 16. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme; 17. Such other person as maybe decided by the AMC from time to time. Please note that Primary holder's own email address and mobile number should be provided for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions. Investors are requested to view full details on eligibility /non-eligibility for investment in the Scheme mentioned in the SAI under the head “Who Can Invest” & also note that this is an indicative list and you are requested to consult your financial advisor to ascertain whether the Scheme is suitable to your risk profile.
Who cannot invest	It should be noted that the following persons cannot invest in the Scheme: 1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or FII or sub account of FII or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority; 2. Overseas Corporate Bodies (OCBs) 3. NRIs/ OCIs/ PIOs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time. 4. Residents of Canada. If an existing Unit Holder(s) subsequently becomes a Resident

	of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Schemes of AlphaGrep Mutual Fund. 5. 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 Scheme, when present in India, as lump sum subscription, redemption and/or switch transaction, including registration 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 Scheme. b. FPIs may invest in the Scheme 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 Scheme. 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 non-demat mode) from such U.S. person will be accepted ONLY at the Investor Service Centres (ISCs) of AlphaGrep Investment Management Pvt. Ltd. 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. *The term "U.S. person" means any person that is a U.S. person within the meaning of Securities Act of 13 of U.S.A 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. The Mutual Fund reserves the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any. The Mutual Fund / Trustee / AMC may redeem Units of any Unitholder in the

	event it is found that the Unitholder has submitted information either in the application or otherwise that is false, misleading or incomplete or Units are held by any person in breach of the SEBI Regulations, any law or requirements of any governmental, statutory authority.
How to Apply and other details	The Application Forms/Change Request Forms for KYC are available at the ISC of AMC or can be downloaded from the website www.alphagrepmf.co.in of AlphaGrep Mutual Fund The facility to transact in the Scheme is also available through mobile application of RTA i.e. 'MyCAMS'. Investments under the Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund including the Stock Exchange Platform(s). Investments under the Regular Plan may be through all other modes and Platform(s) where investors' applications for subscription of units are routed through Distributors. Please refer to the SAI and Application form for further details and the instructions. The list of the OPA / ISC are available on our website at www.alphagrepmf.co.in As per the directives issued by SEBI, it is mandatory for an investor to declare his/her bank account number in the application form. This is to safeguard the interest of unitholders from loss or theft of their redemption cheques/DDs. Investors are requested to provide their bank details in the Application Form failing which the same will be rejected as per current Regulations. AMC reserves the right to appoint collecting bankers and change the bankers and/or appoint any other bankers subsequently. Please refer to the SAI and Application form for the instructions. Official Point of Acceptance is available at: www.alphagrepmf.co.in
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Not Applicable
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time and as stated in. Additions/ deletion of names will not be allowed under any folio of the Scheme except for approved categories.

	Refer section of Listing and transfer of units. **Restrictions on Redemptions of Units** The Fund shall at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan/Option) of the scheme(s) of the fund on the occurrence of the below mentioned event for a period not exceeding ten (10) business days in any ninety (90) calendar days period. The restriction on the Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable for the Redemption/switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). Further, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable for first Rs. 2,00,000/- (Rupees Two Lakhs). The restriction on redemption of the units of the Scheme may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets. A list of such circumstances are as follows: • Liquidity issues: when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. • Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies. • Operational issues - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). • Market failures and/or Exchange closures- When markets are affected by unexpected events which impact the functioning of the Exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies. • If so directed by SEBI Since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situations, the same may result in exceptionally large number of Redemption being made and in such a situation the indicative timeline mentioned by the Fund in the scheme offering documents, for processing of request of Redemption may not be applicable. Any restriction on Redemption or suspend Redemption of the Units in the scheme(s) of the Fund shall be made applicable

	only after prior approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI. Refer SAI for further details.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	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: **For Purchase 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 Scheme 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 Scheme either on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable. Irrespective of the time of receipt of application, where the funds for the entire amount are available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. **For Switch-ins of any amount**: In case of switch from one scheme to another scheme received before cut-off i.e. upto 3 p.m. having business day for both the schemes, closing NAV of the Business Day shall be applicable for switch-out scheme and for Switch-in scheme, the closing NAV of the Business Day shall be applicable, on which funds are available for utilization in the switch-in scheme (allocation shall be in line with the redemption payout). **For 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 Scheme 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 Target Scheme irrespective of the instalment date of the SIP, STP or record date of dividend

	etc.
Minimum amount for purchase/redemption/switches (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.	**Fresh Purchase (Incl. Switch-in):** Minimum of Rs. 500/- and in multiples of Re. 1/- thereafter **Additional Purchase (Incl. Switch-in):** Minimum of Rs. 500/- and in multiples of Re. 1/- thereafter **Weekly SIP**: Rs. 500/- (plus in multiple of Re. 1/-) Minimum installments: 6 **Fortnightly SIP**: Rs. 500/- (plus in multiple of Re. 1/-) Minimum installments: 6 **Monthly SIP**: Rs. 500/- (plus in multiple of Re. 1/-) Minimum installments: 6 **Quarterly SIP**: Rs. 500/- (plus in multiple of Re. 1/-) Minimum installments – 6 The applicability of the minimum amount of installment mentioned is at the time of registration only. The AMC/Trustee reserves the right to change/modify the mode/amount of subscription to the Plans & Options of the Scheme . **Minimum Amount for Redemption / Switch-outs:** Rs. 500/- and in multiples of Re.0.01/- or account balance whichever is lower. There will be no minimum redemption criterion for Unit based redemption. In case the Investor specifies both the number of units and amount, the number of Units shall be considered for Redemption. In case the unitholder does not specify the number or amount, the request will not be processed. Where Units under a Scheme are held under both Direct and Regular Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Regular Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan. Further, the requirement for minimum application/ redemption amount will not be applicable for investment made in schemes of AlphaGrep Mutual Fund by designated employees in terms of Para 7.14 of the Master Circular and SEBI Circular dated March 21, 2025 read with SEBI letter SEBI/HO/IMD/DFS/OW/P/ 2021/24745/1 dated September 20, 2021. .
Minimum balance to be maintained and consequences of non-maintenance (**Consolidated Std. Obs. 36**)	There is no minimum balance requirement.
Accounts Statements (**Consolidated Std. Obs. 60**)	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/ transaction to the Unit holders registered e-mail address and/ or mobile number

	(whether units are held in demat mode or in account statement form). A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable. For further details, refer SAI
Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within 7 (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 para 15.3.3 of the Master Circular. For schemes investing atleast 80% of total assets in permissible overseas investments the transfer of redemption or repurchase proceeds to the unitholders shall be made within five working days from the date of redemption or repurchase. For further details, refer SAI.
Bank Mandate	It is mandatory for the investors to mention their bank account details in the applications. Investors are requested to provide the full particulars of their Bank Account i.e., Name, Account Number, 11-digit IFSC, branch address in the specified fields in the application form (**Consolidated Std. Obs. 61**). For detailed information, please refer SAI. The AMC reserves the right to call for any additional documents as may be required, for processing of such transactions with missing/incomplete/invalid bank account details. The AMC also reserves the right to reject such applications.
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 15.4 of the Master Circular for the period of such delay.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount (**Consolidated Std. Obs. 52**)	In accordance with para 15.5 of the Master Circular, the unclaimed Redemption amount may be deployed by the Mutual Fund in call money market or money market Instruments as well as in a separate plan or liquid

	scheme/overnight scheme/money market mutual fund scheme floated by mutual funds provided that such schemes are placed in A-1 (relatively low interest rate risk and relatively low credit risk) of potential risk class matrix. For the unclaimed redemption and IDCW amounts deployed by the Mutual Fund in call money market or money market instruments, the investment management and advisory fees charged by the AMC for managing unclaimed amount shall not exceed 50 bps. The AMC shall adhere to the following practice: (a) AMC shall transfer the unclaimed redemption and IDCW amounts to Unclaimed Dividend and Redemption Scheme (UDRS) after 90 calendar days and not beyond 105 calendar days from the date of issuance of the instruments. (b) AMC shall have separate scheme/plan for Unclaimed IDCW and Unclaimed Redemption amount, pending for less than 3 years and for more than 3 years. (c) On completion of first 3 years' period, AMC shall transfer such units to UDRS plan (>3 years) within 10 business days of subsequent month. (d) The amount of income accrued on daily basis on unclaimed amounts beyond three years shall be transferred on a monthly basis (i.e. on or before 10th calendar day of subsequent month) to the investor education scheme / folio. Investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. AMC shall play a proactive role in tracing the rightful owner of the unclaimed amounts considering the below steps: (1) AMC shall provide on its website, the list of names and addresses of investors in whose folios there are unclaimed amounts. (2) AMFI shall also provide on its website, the consolidated list of investors across mutual fund industry, in whose folios there are unclaimed amounts including the name of investor, address of investor and name of mutual fund(s) with whom unclaimed amount lies. (3) Information stated in (1) and (2) above maybe obtained by investor only upon providing his appropriate credentials (like PAN, date of birth, etc.) along with adequate security control measures being put in place by Mutual Fund / AMFI. (4) The website of the Mutual Fund shall also provide

	information on the process of claiming the unclaimed amount and the necessary forms/ documents required for the same. Further, the information on unclaimed amount along with its prevailing value (based on income earned on deployment of such unclaimed amount), shall be separately disclosed to investors through the periodic SOA / CAS sent to the investors.
Disclosure w.r.t investment by minors (**Consolidated Std. Obs. 37**)	Payment for investment by means of Cheque or any other mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian only, else the transaction is liable to get rejected. However, irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities. For systematic transactions in a minor's folio, AMC would register standing instructions till the date of the minor attaining majority. 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. Investments in the name of the minor through guardian will be guided by process mentioned in para 15.13 of the Master Circular .
Any other disclosure in terms of Consolidated Checklist on Standard Observations	Nil

III. Other Details

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

Not Applicable

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

Disclosures: Portfolio/Financial Results This is a list of securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	Portfolio Disclosure: Portfolio shall be disclosed as on last day of the month/half year within 10 calendar days from the end of month/half year. Portfolio shall be disclosed on MF website at link: www.alphagrepmf.co.in and on AMFI website www.amfiindia.com Portfolio shall be disclosed in a user-friendly and downloadable spreadsheet format. Portfolio shall also be sent by e-mail to all unitholders by the AMC/Mutual Fund and the AMC shall declare on its website, the hosting of the statements of its portfolio on its website and that of AMFI. A Unit Holder can submit a request for a physical or electronic copy of the statement of the Scheme portfolio and the AMC shall provide a physical copy without charging any cost, on specific request received from a Unit Holder. Half Yearly unaudited financial results to unitholders: The AMC 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 its website: www.alphagrepmf.co.in and on the website of AMFI. The AMC shall also display the link prominently on its website and make the physical copies available to Unit Holders at its registered office, at all times.
Annual Report	The AMC shall send the digital copy of the scheme-wise Annual Report or an abridged summary thereof to all unitholders within four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant financial year (i.e. 31st March each year). Scheme wise annual report shall also be displayed on the website of the Mutual Fund: www.alphagrepmf.co.in and Association of Mutual Funds in India (www.amfiindia.com). A functional link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI)(www.amfiindia.com). The Annual Report and its abridged scheme wise summary shall contain the details as specified in the Ninth Schedule and such other information necessary to present a true and fair view of the operations of the Mutual Fund.
Scheme Summary	In accordance with SEBI letter dated December 28, 2021,

Document (SSD)	Scheme summary document in the requisite format (pdf, spreadsheet and machine readable format – JSON or XML) shall be uploaded on a monthly basis i.e. 15th of every month or within 5 Business days from the date of any change or modification in the scheme information on the website of the Mutual Fund i.e. www.alphagrepmf.co.in and AMFI i.e. www.amfiindia.com and Registered Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.
Risk-o-meter (Consolidated Std. Obs. 38)	In accordance with Paragraph 6.16 of the Master Circular, the Risk-o-meter shall have following six levels of risk: i. Low Risk ii. Low to Moderate Risk iii. Moderate Risk iv. Moderately High Risk v. High Risk and vi. Very High Risk Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders. The risk-o-meter shall be evaluated on a monthly basis and the risk-o-meter along with portfolio disclosure shall be disclosed on the Mutual Fund website as well as AMFI website within 10 days from the close of each month. Further, the AMC shall disclose the following in all disclosures, including promotional material or that stipulated by SEBI: I. Risk-o-meter of the scheme wherever the performance of the scheme is disclosed. II. Risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed. Investors may refer to the website/portfolio disclosure for the latest Risk-o-meter of the Scheme.

C. **Transparency/NAV Disclosure (Details with reference to information given in Section I) (Consolidated Std. Obs. 40 & 41)**

The AMC will calculate and disclose the first NAVs of the Scheme not later than 5 (five) Business days from the date of allotment of units under the NFO. Subsequently, the AMC will calculate and disclose NAVs at the close of every Business Day in the manner specified by SEBI. The Net Asset Value of the scheme shall be calculated on daily basis and disclosed in the manner specified by SEBI. The AMC shall update the NAVs on its website www.alphagrepmf.co.in and of the Association of Mutual Funds in India ("**AMFI**") (www.amfiindia.com) before 11.00 p.m. every Business Day. In case the scheme invests in ETCDs, the NAV of the scheme shall be updated by 09:00 a.m. on following business day on the Mutual Fund and AMFI website.

In case of any delay, the reasons for such delay would be explained to AMFI in writing. Delay, if any, in disclosure of NAV beyond the timeline specified above shall be explained in writing to AMFI and reported in the quarterly CTR. The reporting shall include the number of days when mutual funds were not able to adhere to the above mentioned time limit for uploading their NAVs on the AMFI

website with reasons thereof, the corrective action taken by the AMC to reduce the number of such occurrences. In case NAVs are not disclosed before the commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons for the delay and explain when they would be able to publish the NAVs.

D. Transaction charges and stamp duty

Transaction charges: Transaction charges have been removed pursuant to SEBI Circular No. SEBI/HO/IMD/PoD1/CIR/P/2025/115 dated August 08, 2025.

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

E. Associate Transactions

Please refer to SAI.

F. Taxation

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

Tax	Resident Investors	Non-Resident Investors	Mutual Fund
Tax on dividend	Taxable at Income slab rates	20%/ Taxable at income slab rates	NIL
Capital gain			
Long Term:	12.5%	12.5%	NIL
Short Term:	Taxable at income slab rates	Taxable at income slab rates	NIL

1) *Tax Rates should be increased by the surcharge as applicable and health & education cess @ 4%.
2) # 20% rate is applicable for (i) FPIs and (ii) units purchased in foreign currency. For other non-resident investor, such income is taxable as per applicable rate in India.
3) ^Any long-term capital gains arising on transfer of unit of non-equity oriented mutual funds will be taxable without indexation benefit.

4) Mutual Funds are required to deduct TDS @ 10% on IDCW payment (above Rs 5000) for resident unitholders and @ 20% (plus applicable

surcharge and cess) for non-resident unitholders. No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain in the hands of resident unitholders and FPIs. For other non-resident unitholders, tax shall be deducted as per applicable rates. Tax treaty benefit, if any, should be provided to non-resident unitholders subject to providing certain information/documents as required (especially, tax residency certificate and Form 10F).

5) In certain cases, higher TDS may be applicable as per section 206AA (relating to non-furnishing of PAN)

G. Rights of Unitholders

Please refer to SAI for details.

H. List of official points of acceptance:

The details pertaining to official points of acceptance of AMC and RTA are available on the website of the AlphaGrep Mutual Fund at www.alphagrepmf.co.in

I. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations for which action may have been taken or is in the process of being taken by any Regulatory Authority (Consolidated Std. Obs. 48 & 49)

The investors may refer to the details on the website of the AlphaGrep Mutual Fund at www.alphagrepmf.co.in

Notes:

The Scheme under this Scheme Information Document was approved by the Trustees on March 18, 2026.

Notwithstanding anything contained in the Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines thereunder shall be applicable. (Consolidated Std. Obs. 63).

For and on behalf of the Board of Directors of AlphaGrep Investment Management Pvt. Ltd.

Sd/-
Bhautik Ambani
CEO & Director

Place: Mumbai
Date: