

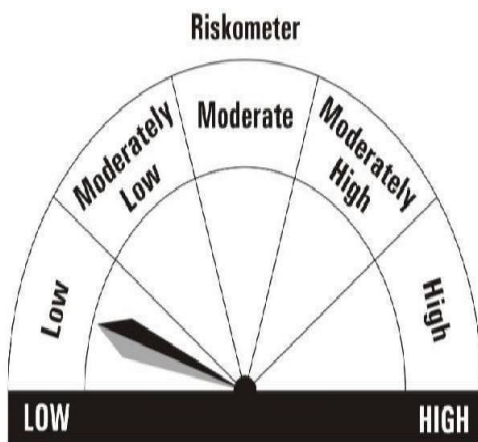
SCHEME INFORMATION DOCUMENT

YES LIQUID FUND

An Open Ended Liquid Scheme

This product is suitable for investors who are seeking*:

- Regular income over short term
- Investment in money market and debt instruments



Investors understand that their principal will be at low risk

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

Offer of Units of Rs. 1,000/- each 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 reopens for continuous sale and repurchase not later than
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Name of Mutual Fund	YES Mutual Fund
Name of Asset Management Company	YES Asset Management (India) Limited CIN - U65990MH2017PLC294178
Name of Trustee Company	YES Trustee Limited CIN U65999MH2017PLC294613

Addresses, Website of the above Entities	Registered Office: 602B, 6th Floor, Indiabulls Finance Centre (IFC) 1&2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013. Corporate Office: 602B, 6th Floor, Indiabulls Finance Centre (IFC) 1&2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013. Website: www.yesamc.in Tel. No.: +91(22)40827600
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The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations or the Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the Asset Management Company (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.

Investors are informed that the Mutual Fund/AMC and its empanelled brokers have not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative yield/ portfolio with regard to the Schemes.

The investors / unitholders are advised to refer to the Statement of Additional Information (SAI) for details of YES Mutual Fund, Tax and Legal issues and general information on www.yesamc.in.

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

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

This Scheme Information Document is dated October 23, 2018.

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HIGHLIGHTS / SUMMARY OF THE SCHEME

Name of the Scheme	YES Liquid Fund
Nature of the Scheme	An open ended liquid scheme
Investment Objective	<p>The investment objective of the Scheme is to generate optimal returns consistent with moderate levels of risk and high liquidity by investing in high quality debt and money market instruments.</p> <p>However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The Scheme does not assure or guarantee any returns.</p>
Liquidity	<p>Units of the Scheme will be available for Subscription and/or Redemption at NAV related prices on every Business Day commencing not later than 5 Business Days from the date of allotment of Units post the NFO Period.</p> <p>The AMC shall dispatch the redemption proceeds within 10 business days from date of receipt of request from the Unit holder.</p>
Benchmark	CRISIL Liquid Fund Index
Transparency/NAV Disclosure	<p>The AMC will calculate and disclose the first NAV of the Scheme within 5 business days from the date of allotment. Subsequently, the AMC will calculate and disclose the NAVs on all the Business Days. The AMC shall update the NAVs on its website (www.yesamc.in) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 9.00 p.m. on every Business Day. Further, AMC shall extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.</p> <p>In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV. The NAV will be calculated in the manner as provided in this SID or as may be prescribed by the SEBI Regulations from time to time. The NAV will be computed up to four decimal places.</p> <p>The AMC shall disclose portfolio (along with ISIN) of the Scheme on the website www.yesamc.in and on the website of AMFI www.amfiindia.com within 10 days from the close of each month / half years.</p> <p>In case of unitholders whose email addresses are registered, the AMC will send via email both the monthly and half yearly statement of scheme portfolio within 10 days from the close of each month /half year respectively.</p> <p>Since the Scheme is a new Scheme, Top 10 Holdings and Sector wise holdings are not available.</p> <p>The AMC will make available the Annual Report of the Scheme within four months of the end of the financial year in the manner specified by the SEBI.</p>
Loads	Entry Load - Not applicable

	<p>SEBI vide its circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009 has decided that there shall be no entry Load for all Mutual Fund Schemes.</p> <p>Exit Load: Nil</p> <p>The AMC/Trustee reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations.</p>																				
<p>Plans and options</p>	<p>The Scheme offers Regular Plan and Direct Plan. Each Plan offers following Options:</p> <table border="1" data-bbox="518 593 1444 1579"> <thead> <tr> <th data-bbox="518 593 766 721">Options</th> <th data-bbox="766 593 997 721">Default Option/ Frequency</th> <th data-bbox="997 593 1173 721">Frequency*</th> <th data-bbox="1173 593 1444 721">Record Date*</th> </tr> </thead> <tbody> <tr> <td data-bbox="518 721 766 952">Growth</td> <td data-bbox="766 721 997 952">Growth Option in case Growth Option or Dividend Option is not indicated.</td> <td data-bbox="997 721 1173 952">-</td> <td data-bbox="1173 721 1444 952">-</td> </tr> <tr> <td data-bbox="518 952 766 1064">Dividend • Daily (Reinvestment)</td> <td data-bbox="766 952 997 1064">Daily Dividend Reinvestment Option</td> <td data-bbox="997 952 1173 1064">Daily</td> <td data-bbox="1173 952 1444 1064">Daily - Every Day</td> </tr> <tr> <td data-bbox="518 1064 766 1131">• Weekly (Reinvestment)</td> <td data-bbox="766 1064 997 1131">Option in case Daily / Weekly /</td> <td data-bbox="997 1064 1173 1131">Weekly</td> <td data-bbox="1173 1064 1444 1131">Weekly - Every Wednesday</td> </tr> <tr> <td data-bbox="518 1131 766 1579">• Monthly (Payout and Reinvestment)</td> <td data-bbox="766 1131 997 1579">Monthly Dividend Option is not indicated. Dividend Reinvestment in case Payout or Reinvestment is not indicated.</td> <td data-bbox="997 1131 1173 1579">Monthly</td> <td data-bbox="1173 1131 1444 1579">Monthly - 15th of the month</td> </tr> </tbody> </table> <p>* or immediately succeeding Business Day if that is not a Business Day. The Trustee/AMC reserves the right to change the frequency/ record date from time to time.</p> <p>The Trustee may decide to distribute by way of dividend, the surplus by way of realised profit, dividends and interest, net of losses, expenses and taxes, if any, to Unit Holders in the Dividend option of the Scheme if such surplus is available and adequate for distribution in the opinion of the Trustee. The dividend will be due to only those Unit Holders whose names appear in the register of Unit Holders in the dividend option of the Scheme on the record date.</p>	Options	Default Option/ Frequency	Frequency*	Record Date*	Growth	Growth Option in case Growth Option or Dividend Option is not indicated.	-	-	Dividend • Daily (Reinvestment)	Daily Dividend Reinvestment Option	Daily	Daily - Every Day	• Weekly (Reinvestment)	Option in case Daily / Weekly /	Weekly	Weekly - Every Wednesday	• Monthly (Payout and Reinvestment)	Monthly Dividend Option is not indicated. Dividend Reinvestment in case Payout or Reinvestment is not indicated.	Monthly	Monthly - 15 th of the month
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Default Plan / Option / Facility	<p>Investors subscribing Units under Direct Plan of a Scheme should indicate “Direct Plan” against the scheme name in the application form. Investors should also mention “Direct” in the ARN column of the application form. The table showing various scenarios for treatment of application under “Direct/Regular” Plan is as follows:</p> <table border="1" data-bbox="523 481 1380 1220"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct Plan</td> <td>Direct Plan</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td>Regular Plan</td> <td>Direct Plan</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td>Direct Plan</td> <td>Direct Plan</td> </tr> <tr> <td>5</td> <td>Direct</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>6</td> <td>Direct</td> <td>Regular Plan</td> <td>Direct Plan</td> </tr> <tr> <td>7</td> <td>Mentioned</td> <td>Regular Plan</td> <td>Regular Plan</td> </tr> <tr> <td>8</td> <td>Mentioned</td> <td>Not mentioned</td> <td>Regular Plan</td> </tr> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN code mentioned on the application form, the application will be processed under Regular Plan.</p> <p>The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load, if applicable.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct Plan	Direct Plan	3	Not mentioned	Regular Plan	Direct Plan	4	Mentioned	Direct Plan	Direct Plan	5	Direct	Not mentioned	Direct Plan	6	Direct	Regular Plan	Direct Plan	7	Mentioned	Regular Plan	Regular Plan	8	Mentioned	Not mentioned	Regular Plan
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7	Mentioned	Regular Plan	Regular Plan																																		
8	Mentioned	Not mentioned	Regular Plan																																		
Minimum Application Amount	Rs. 10,000 and in multiples of Re. 1/- thereafter.																																				
Minimum Additional Purchase Amount	R s. 1,000 and in multiples of Re. 1/- thereafter.																																				
Minimum Redemption Amount	Rs. 1000 and in multiples of Re. 1/- or account balance whichever is lower. There will be no minimum redemption criterion for Unit based redemption.																																				
Dividend Policy	The Trustee reserves the right to declare dividends under the dividend option of the Scheme depending on the net distributable surplus available under the Scheme.																																				
Dematerialization (Demat)	Unit holders will have an Option to hold the units by way of an Account Statement or in Dematerialized (‘Demat’) form. Unit holders opting to																																				

	<p>hold the units in Demat form must provide their Demat Account details in the specified section of the application form. However, this facility is not available for investment under Daily Dividend. The Applicant intending to hold the units in Demat form are required to have a beneficiary account with a Depository Participant (DP) registered with NSDL / CDSL and will be required to indicate in the application the DP's name, DP ID Number and the Beneficiary Account Number of the applicant held with the DP at the time of purchasing Units. Unitholders are requested to note that request for conversion of units held in Account Statement (non-demat) form into Demat (electronic) form or vice versa should be submitted to their Depository Participants.</p> <p>In case Unit holders do not provide their demat account details or the demat details provided in the application form are incomplete / incorrect or do not match with the details with the Depository records, the Units will be allotted in account statement mode provided the application is otherwise complete in all respect and accordingly an account statement shall be sent to them.</p>
<p>Transaction Charges</p>	<p>In accordance with SEBI circular no. Cir/IMD/DF/13/2011 dated August 22, 2011, the AMC will deduct Transaction Charges on purchase/subscription of Rs.10,000/- and above made through a valid ARN Holder i.e. AMFI registered distributors/ intermediaries, provided such distributor has opted to receive the Transaction Charges. Further, in accordance with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, distributors have an option either to opt in or opt out of levying transaction charge based on type of the product. Such Transaction Charges collected by the AMC will be paid to the ARN Holder through whom the investment has been made. However, no Transaction Charges will be imposed for investments made directly with the Fund.</p> <p>For more details on Transaction Charges, please refer the Section on “Transaction Charges” in this Document.</p>

I. INTRODUCTION

A. RISK FACTORS

i. STANDARD RISK FACTORS

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund.

- The present scheme is the first scheme being launched under its management.
- The present scheme is not a guaranteed or assured return scheme.

ii. SCHEME SPECIFIC RISK FACTORS

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

Risks associated with investments in Fixed Income Securities

- Interest-Rate Risk:** Fixed income securities such as government bonds, corporate bonds, and 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 depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.
- Re-investment Risk:** Investments in fixed income securities carry re-investment risk as interest rates prevailing on the coupon payment or maturity dates may differ from the original coupon of the bond.
- Basis Risk:** Basis risk arises due to a difference in the price movement of the derivative vis-à-vis that of the security being hedged.
- 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.
- Liquidity Risk:** 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.
- Credit Risk:** This is the risk associated with the issuer of a debenture/bond or a money market instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is considered safer than a bond rated lower by the same rating agency.
- 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.
- 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.
- Settlement Risk:** Fixed income securities run the risk of settlement which can adversely affect the ability of the fund house to swiftly execute trading strategies which can lead to adverse movements in NAV.

- **Risks associated with unrated instruments:** - Investments in unrated instruments are subject to the risk associated with investments in any other fixed income securities, as referred above. However, investments in unrated instruments are considered to be subject to greater risk of loss of principal and interest than rated instruments.
- **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 is used as a measure of the sensitivity of the fixed income instrument to a change in interest rates. Usually Individual duration of the fixed income instruments in the portfolio is calculated and the portfolio duration is the 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.
- **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. The performance risk is a function of various variables which include interest rate movement and the associated price movement of the invested debt/money market instruments, the duration risk, the credit quality movement and the liquidity of the invested instruments. 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.

Risks associated with investments in Securitized Debt

The Scheme may invest in domestic securitized debt such as Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS). ABS are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. MBS are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties.

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

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

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

nature of the underlying security for the loan or the nature of the receivable and the risks correspondingly fluctuate.

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

- a. **Assets securitized and Size of the loan:** This indicates the kind of assets financed with the loan and the average ticket size of the loan. A very low ticket size might mean more costs in originating and servicing of the assets.
- b. **Diversification:** Diversification across geographical boundaries and ticket sizes might result in lower delinquency.
- c. **Loan to Value Ratio:** Indicates how much % value of the asset is financed by borrower's own equity. The lower this value the better it is. This suggests that where the borrowers own contribution of the asset cost is high; the chances of default are lower.
- d. **Average seasoning of the pool:** This indicates whether borrowers have already displayed repayment discipline. The higher the number, the more superior it is. The other main risks pertaining to Securitized debt are as follows:
 - Prepayment Risk:** This arises when the borrower pays off the loan sooner than expected. When interest rates decline, borrowers tend to pay off high interest loans with money borrowed at a lower interest rate, which shortens the average maturity of ABSs. However, there is some prepayment risk even if interest rates rise, such as when an owner pays off a mortgage when the house is sold or an auto loan is paid off when the car is sold.
 - Reinvestment Risk:** Since prepayment risk increases when interest rates decline, this also introduces reinvestment risk, which is the risk that the principal can only be reinvested at a lower rate.

Risks associated with investments in Derivatives

- Market Risk:** Derivatives are traded in the market and are exposed to losses due to change in the prices of the underlying and/or other assets and, change in market conditions and factors. The volatility in prices of the underlying may impact derivative instruments differently than its underlying.
- Basis Risk:** This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for example, when a bond is hedged using a derivative, the change in price of the bond and the change in price of the derivative may not be fully correlated leading to basis risk in the portfolio. The underlying benchmark of a floating rate security might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio. Example: Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve or if there is a mismatch in the tenor of the swap and the fixed income security.
- 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.

- **Liquidity Risk:** This risk arises from the inability to sell derivatives at prices that reflect the underlying assets/ rates/ indices, lack of availability of derivative products across different maturities and with various risk appetite.
- **Valuation Risk:** This is the risk of mis-pricing or improper valuation of derivatives due to inadequate trading data with good volumes.
- **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.
- **Counterparty Risk:** Counterparty risk is the risk that losses will be incurred due to the default by the counterparty for OTC derivatives.
- **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.
- **Interest Rate Risk:** This risk arises from the movement of interest rates in adverse direction. As with all the debt securities, changes in the interest rates will affect the valuation of the portfolios.

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

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

Risk factors associated with repo transactions in corporate bonds

The market for the aforesaid product is over the counter (OTC) and illiquid. Hence, repo obligations cannot be easily sold to other parties. If a counterparty fails, the scheme would have to take recourse to the collateral provided. If a counterparty fails to repay and the value of the collateral falls beyond the haircut, then the Scheme would be exposed to a loss of interest or principal.

Further, if the Scheme needs to take recourse to the debt securities provided as collateral, and the issuer of the debt securities makes a default, the scheme may lose the whole, or substantial portion of the amount. This risk is somewhat mitigated by the fact that only bonds which have credit rating of AA and above can be accepted as collateral for repo transactions.

Risk associated with Imperfect Hedging using Interest Rate Futures

1)Basis Risk

Each security could be hedged with an Interest Rate Future. Hypothetically creating an imperfect hedge, **IGB 7.17% 2028** on which AMC are **long**, and **short** on an (**interest rate future**) IRF 6.79% 2027 for which the underlying is 10 year bond, if the **spot yield are 7%** and **future yield is 7.3%** the **basis** would be of **0.3%**. There is an inherent risk of this basis (spread) narrowing, widening or remaining stable/flat.

Spread widening means that the spot becomes 6.9% and future becomes 7.25% - the **basis increases** in total by 0.05% and new basis is 0.35%. Due to this there would be a profit of 5bps on the IGB 8.15% 2026 long bond and there would be a loss of 5bps on IRF short future position. This would result in an **overall profit** as the price of a bond would increase more compared to the increase in the price of IRF due to the duration and convexity effect.

Spread narrowing means that the spot becomes 7.2% and future becomes 7.35% - the **basis decreases** in total by 0.15% and the new basis is 0.15%. This would result in a **loss** as the price of IGB 8.15% 2026 bond would decrease more compared to the decrease in the price of IRF due to the duration and convexity effect.

Spread remaining flat or stable means that the spread does not move or is a **negligible change** in the basis i.e. in our example is of 0.3%.

2) Mispricing Risk, or improper valuation -

Market circumstances may necessitate unwinding the derivative positions at sub-optimal prices during periods of market dislocation triggered by contagion or turmoil e.g. if the expected upward trajectory of yields reverses course and begins to spiral downward, most participants with short Interest Rate Futures positions are likely to seek an unwinding, leading to a potential amplification in the adverse price movement, and impact there from.

3) Liquidity Risk

This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.

4) Correlation weakening, and consequent risk of regulatory breach

SEBI regulation mandates minimum correlation criteria of 0.9 (calculated on a 90 day basis) between the portfolio being hedged and the derivative serving as the hedge; in cases where this limit is breached (i.e. when the 90-day correlation falls below 0.9), a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement within the stipulated period due to difficulties in re-balancing 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; leverage is not permitted as per SEBI guidelines.

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

In respect of transaction in Units of the Scheme through BSE and / or NSE, allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by BSE and / or NSE and their respective clearing corporations on which the Fund has no control.

Risks associated with Securities Lending

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

Risks associated with Short Selling

The Schemes may enter into short selling transactions, subject to SEBI and RBI Regulations. Short positions carry the risk of losing money and these losses may grow unlimited theoretically if the price of the stock increases without any limit. This may result in major loss to the Scheme. At times, the participants may not be able to cover their short positions, if the price increases substantially. If a numbers of short sellers try to cover their position simultaneously, it may lead to disorderly trading in the stock and thereby can briskly escalate the price even further making it difficult or impossible to liquidate short position quickly at reasonable prices. In additions, short selling also carries the risk of inability to borrow the security by the participants thereby requiring the participants to purchase the securities sold short to cover the position even at unreasonable prices.

Nature of Risk Mitigation Measures by AMC

Nature of Risk	Risk Mitigation by AMC
For making investments in Fixed Income and Money Market Instruments	
<p>Credit Risk: Debt securities are subject to the risk of an issuer’s inability to meet principal and interest payments on the obligations</p>	<p>The fund has a rigorous credit research process. The credit team analyses each issuer before investment by the scheme. In addition to external ratings by the accredited credit rating agencies, the credit team will undertake independent credit assessment that would capture the quantitative (financial statements) and qualitative aspects (accounting policies, management quality, disclosure standards etc.) of a company to assess its fundamental credit strength and guide the investment decisions in the schemes.</p> <p>There is also a regulatory cap on exposure to each issuer to ensure a diversified portfolio and reduced credit risk in the portfolio.</p>
<p>Liquidity Risk: The corporate debt market is relatively illiquid vis-à-vis the government securities market. Even though the government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in</p>	<p>The schemes are envisaged to be actively managed portfolios. The liquidity and volatility of a security are important criteria in security selection process. This ensures that liquidity risk is managed.</p>

<p>the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through</p>	
<p>Investing in unrated securities: Unrated securities are more likely to react to developments affecting the market and the credit risk than the highly rated securities which react primarily to movements in the general level of interest rates.</p>	<p>The schemes have a rigorous credit research process and as such all investments, rated or unrated, are analyzed and approved by the credit team before investment by the scheme. Further there is a regulatory and internal cap on exposure to unrated issuers, limiting exposure to unrated securities.</p>
<p>Investing in unlisted securities: The Schemes may invest in securities which are not quoted on a stock exchange (“unlisted securities”) which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Schemes will realise its investments in unlisted securities at a fair value.</p>	<p>The scheme will predominantly invest in listed securities and in some instances, invest in securities which are expected to be listed. Further, listing of debt securities typically has no significant impact on the liquidity, trading volatility and price discovery.</p>
<p>Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are not invested and no return is earned thereon.</p>	<p>The AMC has a strong operations team and well laid out processes and systems, which mitigate operational risks attached with the settlement process.</p>
<p>Investing in Securitised Debt: Investment in securitised debt (especially in pool securities) is subject to prepayment risk i.e. early payment of the principal. Though this will not change the absolute amount of receivables for the investor, but may have impact on re-investment of the periodic cash flows received by the investor (re-investment risk).</p>	<p>Reinvestment risk is an inherent feature of portfolio management process. It can be managed by investing in securities with relatively low intermittent cash flows.</p>
<p>Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities in the Plans are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at</p>	<p>Reinvestment risk is an inherent feature of the portfolio management process. It may be managed, to a certain extent, by seeking to invest in securities with relatively low intermittent cash flows.</p>

<p>which interim cash flows can be reinvested may be lower than that originally assumed.</p>	
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B. REQUIREMENT OF MINIMUM UNITHOLDERS IN THE SCHEME

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

C. SPECIAL CONSIDERATIONS, IF ANY

- The Sponsor is not responsible for any loss resulting from the operation of the Scheme beyond the initial contribution of an amount of Rs.1,00,000 (Rupees One Lakh) collectively made by them towards setting up the Mutual Fund or such other accretions and additions to the initial corpus set up by the Sponsor.
- Prospective investors should study this Scheme Information Document (“SID) and Statement of Additional Information (“SAI’) carefully in its entirety and should not construe the contents hereof as advise relating to legal, taxation, financial, investment or any other matters and are advised to consult their legal, tax, financial and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest / redeem / hold Units.
- The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this Scheme Information Document or the Statement of Additional Information or as provided by the AMC in connection with this offering. Prospective Investors are advised not to rely upon any information or representation not incorporated in the Scheme Information Document or Statement of Additional Information or as provided by the AMC as having been authorized by the Mutual Fund, the AMC or the Trustee.

- Neither this SID or SAI nor the Mutual Fund has been registered in any jurisdiction outside India. The distribution of this SID in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this SID are required to inform themselves about, and to observe, any such restrictions and or legal compliance requirements. No persons receiving a copy of this SID or Key Information Memorandum and any accompanying application form in such jurisdiction may treat this SID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless such an invitation could lawfully be made to them in the relevant jurisdiction and such application form could lawfully be used without compliance of any registration or other legal requirements.
- Redemption due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise due to such Redemptions.
- The tax benefits described in this Scheme Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The Unitholders/ investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder / investor is advised to consult his / her own professional tax advisor.
- In the event of substantial investments made by the AMC or the Sponsor or its Shareholders or their affiliates/associates or group companies, either directly or indirectly in the Scheme, Redemption of units by these entities may have an adverse impact on the performance of the Scheme. This may also affect the ability of the other Unitholders/ investors to redeem their units.
- 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.
- Pursuant to the provisions of Prevention of Money Laundering Act, 2002, if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, on failure to provide required documentation, information, etc. by the Unitholder/ investor, the AMC shall have absolute discretion to report such suspicious transactions to FIU-IND and / or to freeze the folios of the Unitholder/ investor(s), reject any application(s) / redemptions / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any.
- The Mutual Fund may disclose details of the investor's/ Unitholder's account and transactions there under to those intermediaries whose stamp appears on the application form or who have been designated as such by the investor. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting

payments to the Unitholder. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.

- Any dispute arising out of the Scheme shall be subject to the non-exclusive jurisdiction of the Courts in Mumbai, India. Statements in this SID are, except where otherwise stated, based on the law practiced currently in India, and are subject to changes therein.

D. DEFINITIONS

"AMC" or "Asset Management Company" or "Investment Manager"	YES Asset Management (India) Limited, incorporated under the provisions of the Companies Act, 2013 and approved by Securities and Exchange Board of India to act as the Asset Management Company for the scheme(s) of YES Mutual Fund.
"Applicable NAV"	The NAV applicable for purchase or redemption or Switching of Units based on the time of the Business Day on which the application is time stamped.
"Book Closure"	The time during which the Asset Management Company would temporarily suspend Sale, redemption and Switching of Units.
"Business Day"	<p>A day other than:</p> <ul style="list-style-type: none"> • Saturday and Sunday; • A day on which the banks in Mumbai and /or RBI are closed for business /clearing; • A day on which the National Stock Exchange of India Limited and/or the Stock Exchange, Mumbai are closed; • A day which is a public and /or bank Holiday at an Investor Service Centre/Official Point of Acceptance where the application is received; • A day on which Sale / Redemption / Switching of Units is suspended by the AMC; • A day on which the money markets and/or debt markets are closed / not accessible; • A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time; <p>The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres / Official Points of Acceptance.</p>
"Business Hours"	Presently 9.30 a.m. to 5.30 p.m. on any Business Day or such other time as may be applicable from time to time.
"Custodian"	A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which

	for the time being is SBI-SG Global Securities Services Private Limited.
"Depository"	Depository as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Limited and Central Depository Services Limited.
"Depository Participant"	'Depository Participant' means a person registered as such under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
"Derivative"	Derivative includes (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, or underlying securities.
"Dividend"	Income distributed by the Mutual Fund on the Units.
"Exit Load"	Load on Redemption / Switch out of Units.
"Floating Rate Debt Instrument"	Floating rate debt instruments are debt instruments issued by Central and/ or State Government, corporates or PSUs with interest rates that are reset periodically. The periodicity of the interest reset could be daily, monthly, quarterly, half-yearly, annually or any other periodicity that may be mutually agreed with the issuer and the Fund. The interest on the instruments could also be in the nature of fixed basis points over the benchmark gilt yields.
"Foreign Institutional Investors" or "FII"	FII means Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
"Foreign Portfolio Investor" or "FPI"	FPI means a person who satisfies the eligibility criteria prescribed under Regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014.
"Gilts" or Government Securities"	Securities created and issued by the Central Government and/or a State Government (including Treasury Bills) or Government Securities as defined in the Public Debt Act, 1944, as amended or re-enacted from time to time.
"Holiday"	The day(s) on which the banks (including the Reserve Bank of India) are closed for business or clearing in Mumbai or their functioning is affected due to a strike/ bandh call made at any part of the country or due to any other reason.
"Investment Management Agreement"	The agreement dated October 27, 2017 entered into between YES Trustee Limited and YES Asset Management (India) Limited, as amended from time to time by which YES Asset Management (India) Limited has been appointed the Investment Manager for managing the funds raised by YES Mutual Fund under the various Schemes and all amendments thereof.

"Investor Service Centers" or "ISCs"	Designated Offices of YES Asset Management (India) Limited or such other centres / offices as may be designated by the AMC from time to time, where investors can tender the request for subscription, redemption or switching of units, etc.
"Load"	A charge that may be levied as a percentage of NAV at the time of entry into the scheme/plans or at the time of exiting from the scheme/ plans.
"Money Market Instruments"	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time.
"Mutual Fund" or "the Fund"	YES Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882.
"Net Asset Value" or "NAV"	Net Asset Value per Unit of the Scheme, calculated in the manner described in this Scheme Information Document or as may be prescribed by the SEBI (MF) Regulations from time to time.
"Non-Resident Indian" or "NRI"	A person resident outside India who is either a citizen of India or a person of Indian origin.
"Official Points of Acceptance" or "OPA"	Places, as specified by AMC from time to time where application for subscription / redemption / switch will be accepted on ongoing basis.
"Person of Indian Origin" or "PIO"	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
"Rating"	An opinion regarding securities, expressed in the form of standard symbols or in any other standardised manner, assigned by a credit rating agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999
"Registrar and Transfer Agent" or "RTA"	Computer Age Management Services Pvt. Limited (CAMS) Chennai, currently acting as registrar to the Scheme(s), or any other registrar appointed by the AMC from time to time.
"Redemption/ Repurchase"	Redemption of Units of the Scheme as permitted.
"Regulatory Agency"	Government of India, SEBI, RBI or any other authority or agency entitled to issue or give any directions, instructions or guidelines to the Mutual Fund.
"Repo"	Sale/Repurchase of Securities with simultaneous agreement to repurchase / resell them at a later date
"Reverse Repo"	Purchase of Securities with a simultaneous agreement to sell them at a later date.

"Sale / Subscription"	Sale or allotment of Units to the Unit holder upon subscription by the investor / applicant under the Scheme.
"Scheme"	YES Liquid Fund
"Scheme Information Document"	This document issued by YES Mutual Fund, offering for Subscription of Units of YES Liquid Fund.
"SEBI"	"SEBI (MF) Regulations" or "Regulations"
"SEBI (MF) Regulations" or "Regulations"	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time
"Short Selling"	Short selling means selling a stock which the seller does not own at the time of trade.
"Sponsor"	YES BANK Limited
"Statement of Additional Information" or "SAI"	The document issued by YES Mutual Fund containing details of YES Mutual Fund, its constitution, and certain tax, legal and general information. SAI is legally a part of the Scheme Information Document.
"Switch"	Redemption of a unit in any scheme (including the plans / options therein) of the Mutual Fund against purchase of a unit in another scheme (including the plans/options therein) of the Mutual Fund, subject to completion of Lock-in Period, if any.
"Trust Deed"	The Deed of Trust dated October 27, 2017 made by and between YES Bank Limited and YES Trustee Limited thereby establishing an irrevocable trust, called YES Mutual Fund.
"Trustee" or "Trustee Company"	YES Trustee Limited incorporated under the provisions of the Companies Act, 2013 and will act as the Trustee to the Schemes of the Mutual Fund.
"Unit"	The interest of the Unitholder which consists of each Unit representing one undivided share in the assets of the Scheme.
"Unitholder"	A person holding Unit in the Scheme of YES Mutual Fund offered under this Scheme Information Document.
Words and Expressions used in this Scheme Information Document and not defined	Same meaning as in Regulations

INTERPRETATION

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

- All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- All references to "dollars" or "\$" refer to United States Dollars and "Rs" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".

- All references to timings relate to Indian Standard Time (IST).
References to a day are to a calendar day including a non-Business Day.

E. DUE DILEGENCE BY THE ASSET MANAGEMENT COMPNAY

It is confirmed that:

1. The Scheme Information Document of YES Liquid Fund, forwarded to SEBI, is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
2. 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.
3. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
4. All the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registrations are valid, as on date.

Sd/-

Nehal Shah
Head-Legal, Compliance & Secretarial

Place : Mumbai
Date : October 23, 2018

Note: The Due Diligence Certificate as stated above was submitted to the Securities and Exchange Board of India on October 24, 2018.

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

An Open-Ended Liquid Scheme

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The investment objective of the Scheme is to generate optimal returns consistent with moderate levels of risk and high liquidity by investing in high quality debt and money market instruments.

However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The Scheme does not assure or guarantee any returns.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances the asset allocation pattern will be:

Instruments	Indicative Allocation (% of net assets)		Risk Profile
	Minimum	Maximum	Low/Medium/High
Debt Instruments# and Money Market Instruments* with a maturity/residual maturity of upto 91 Days	0%	100%	Low to Medium

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

#Debt Securities includes securitized debts and liquid schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments/ securities.

Securitized debt cumulative allocation not to exceed 50% of the net assets of the Scheme.

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Selling and such other transactions in accordance with guidelines issued by RBI and SEBI from time to time.

Investment in Derivatives - The Scheme may invest upto 50% of its net assets in Derivatives. The Scheme may invest in derivatives based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme.

The Scheme may invest in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging could be perfect or imperfect.

The total gross exposure through investment in debt + money market instruments + derivatives shall not exceed 100% of net assets of the Scheme. Security wise hedge positions using derivatives such as Interest Rate Swaps, etc. will not be considered in calculating above exposure.

Subject to the above, the Scheme intends to enter into repos/ reverse repos as may be permitted by RBI. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Collateralised Borrowing & Lending Obligations (CBLO)/ Tri Party repo or repo or in an alternative investment as may be provided by RBI to meet the liquidity requirements.

Liquidity in the scheme may be provided through borrowing to meet redemptions in accordance with the SEBI Regulations

The scheme shall not invest in foreign securities.

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 as under:

- The monies may be kept in cash and cash equivalents viz. overnight investment in CBLO/ Tri Party repo, reverse repo, money market instruments. liquid and money market mutual fund schemes.
- The AMC may park the funds of the scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.

The Fund Manager may deploy the funds in units of liquid mutual fund schemes to the extent permitted under SEBI (Mutual Funds) Regulations, 1996, in case suitable debt / money market instruments are not available or the Fund Manager is of the view that the risk-reward is not in the best interest of the unit holders.

Pursuant to SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, the Scheme may deploy NFO proceeds in Collateralized Borrowing and Lending Obligations (CBLO)/ Tri Party repo before the closure of NFO period. However, the AMC shall not charge any investment management and advisory fees on funds deployed in CBLOs/ Tri Party repo during the NFO period.

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 13/150975/09 dated January 19, 2009, the Scheme shall make investment in / purchase debt and money market securities with maturity of up to 91 days only.

1. In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of the security.
2. In case of securities with put and call options, the residual maturity of the securities shall not be greater than 91 days.
3. In case the maturity of the security falls on a Non- Business Day, then settlement of securities will take place on the next Business Day.

The Scheme retains the flexibility to invest across all the securities in the debt and Money Market Instruments.

Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI Circular No MFD/CIR/ 01/ 047/99 dated February 10, 1999, SEBI Circular no. SEBI/IMD/CIR No 14/187175/2009 dated December 15, 2009 and framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme seeks to engage in Securities Lending.

The AMC shall adhere to the following limits should it engage in Stock Lending.

1. Not more than 25% of the net assets of the Scheme can generally be deployed in Securities lending.
2. Not more than 10% of the net assets of the Scheme can generally be deployed in Securities Lending to any single approved intermediary.
3. The Mutual Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

The Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.

All the investments by the Mutual Fund under the Scheme shall be guided by investment restrictions as specified in SEBI (Mutual Funds) Regulations, 1996 from time to time.

In terms of SEBI Circular No. CIR/IMD/DF/05/2014 dated March 24, 2014, since the investments in short term deposits of scheduled commercial banks is allowed, pending deployment of funds of a scheme shall also be excluded while calculating sector exposure.

The Fund Manager may review the above pattern of investments based on views on interest rates and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Subject to SEBI (MF) Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon

the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive consideration only. Defensive considerations for this Scheme include maintaining an adequate float to meet anticipated levels of redemptions, expenses, and other liquidity needs.

In the event of change in the asset allocation, the fund manager will carry out portfolio re-balancing within 30 days. Further, in case the portfolio is not re-balanced within the period of 30 days, justification for the same shall be placed before the investment review committee and reasons for the same shall be recorded in writing. The investment review committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

D. WHERE WILL THE SCHEME INVEST?

Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities as permitted by SEBI/ RBI from time to time:

1. Certificate of Deposits (CD) – 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.
2. 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.
3. Bills Rediscounting (BRD) – BRD is the rediscounting of trade bills which have already been purchased by / discounted with the bank by the customers. These trade bills arise out of supply of goods / services.
4. Treasury Bills (T-Bills) are issued by the Government of India to meet their short term borrowing requirements. T-Bills are issued for maturities of 91 days, 182 days and 364 days. T-bills are issued at a discount to their face value and redeemed at par.
5. Collateralized Borrowing and Lending Obligations (CBLO)/ Tri Party repo is a money market instrument that enables entities to borrow and lend against sovereign collateral security. It is in electronic form. The maturity ranges from 1 day to 90 days and can also be made available upto 1 year. Central Government securities including T-bills are eligible securities that can be used as collateral for borrowing through CBLO/ Tri Party repo.
6. Securities issued by the Central and State Governments as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). Central Government

securities are sovereign debt obligations of the Government of India issued on its behalf by RBI. They form part of Government's annual borrowing programme and are used to fund the fiscal deficit along with other short term and long term requirements. Such securities could be fixed rate, fixed interest rate with put/call option, zero coupon bond, floating rate bonds, capital indexed bonds, fixed interest security with staggered maturity payment etc. State Government securities are issued by the respective State Government in co-ordination with the RBI.

7. Repos/reverse repos in Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price.
8. In line with SEBI circular dated November 11, 2011 investments in corporate bond repo shall be made basis the policy approved by the Board of AMC and Trustee Company. The significant features are as follows:
 - i. As specified in the SEBI Circular dated November 15, 2012, the base of eligible securities for mutual funds to participate in repo in corporate debt securities, is from AAA rated to AA and above rated corporate debt securities.
 - ii. The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset scheme.
 - iii. The cumulative gross exposure through repo transactions in corporate debt securities along with corporate debt and money market instruments and derivative positions shall not exceed 100% of the net assets of the scheme.
 - iv. In terms of Regulation 44 (2) of the SEBI (MF) Regulations, the scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months
 - v. The Mutual Fund shall ensure compliance with the Seventh Schedule of the SEBI (MF) Regulations about restrictions on investments, wherever applicable, with respect to repo transactions in corporate debt securities.
9. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee - These are instruments which are issued by various government agencies and bodies. They can be issued at discount, par or premium.
10. Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips etc. These are instruments issued by corporate entities for their business requirements. They are generally rated by credit rating agencies, higher the rating lower the risk of default.
11. Money market instruments permitted by SEBI/RBI, having maturities upto 91 days, in Collateralized Borrowing and Lending Obligations (CBLO)/ Tri Party repo market or in alternative investment for the CBLO/ Tri Party repo market as may be provided by the RBI to meet the short-term liquidity requirements.

12. The non-convertible part of convertible securities – Convertible securities are securities which can be converted from Debt to Equity shares. The non-convertible part cannot be converted into Equity shares and work like a normal debt instrument.
13. Investments in units of liquid mutual fund schemes – The Scheme may invest in units of liquid mutual fund schemes in conformity with the investment objective of the Scheme and in terms of the prevailing SEBI (MF) Regulations and in line with the disclosure made in this Scheme Information Document.
14. Investment in Short Term Deposits – Pending deployment of funds as per the investment objective of the Scheme, the Funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.
15. Securitised Debt Obligations - Securitization is a structured finance process which involves pooling and repackaging of cash-flow producing financial assets into securities that are then sold to investors. They are termed as Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS). ABS are backed by other assets such as credit card, automobile or consumer loan receivables, retail installment loans or participations in pools of leases. MBS is an asset backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans. Such Mortgage could be either residential or commercial properties.
16. Derivative Instrument like Interest Rate Swaps, Forward Rate Agreement and such other derivative instruments as may be permitted under the Regulations.
 - a) **Interest Rate Swap** - An Interest Rate Swap (IRS) is a financial contract between two parties exchanging or swapping a stream of interest payments for a “notional principal” amount on multiple occasions during a specified period. Such contracts generally involve exchange of a “fixed to floating” or “floating to fixed rate” of interest. Accordingly, on each payment date that occurs during the swap period, cash payments based on fixed/ floating and floating rates are made by the parties to one another.
 - b) **Forward Rate Agreement** - A Forward Rate Agreement (FRA) is a financial contract between two parties to exchange interest payments for a ‘notional principal’ amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date, cash payments based on contract (fixed) and the settlement rate, are made by the parties to one another. The settlement rate is the agreed bench mark/ reference rate prevailing on the settlement date.
 - c) **Interest Rate Futures:**

A futures contract is a standardized, legally binding agreement to buy or sell a commodity or a financial instrument in a designated future month at a market determined price (the futures price) by the buyer and seller. The contracts are traded on a futures exchange. An Interest Rate Future is a futures contract with an interest bearing instrument as the underlying asset.

Characteristics of Interest Rate Futures

1. Obligation to buy or sell a bond at a future date.
 2. Standardized contract.
 3. Exchange traded.
 4. Physical/Cash settlement.
 5. Daily mark to market.
17. Pass through, Pay through or other Participation Certificates, representing interest in a pool assets including receivables. It represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans.
18. Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time.

The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated (post investment) and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals. Investments in Debt and Money Market Instruments will be as per the limits specified in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations.

Investment in unrated debt instruments shall be subject to complying with the provisions of the Regulations and within the limit as specified in Schedule VII to the Regulations. Pursuant to SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000. The Scheme will not invest in Foreign Securities.

For applicable regulatory investment limits, please refer paragraph "**Investment Restrictions**". Details of various derivative strategies/examples of use of derivatives have been provided under the section "**Derivatives Strategy**".

The Fund Manager reserves the right to invest in such securities as maybe permitted from time to time and which are in line with the investment objectives of the Scheme.

The following are certain additional disclosures w.r.t. investment in securitized debt:

(i) How the risk profile of securitized debt fits into the risk appetite of the scheme

Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However, it differs in two respects.

- a) Typically the liquidity of securitized debt is less than similar debt securities.
- b) For certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk. Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged.

Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. If the fund manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table above.

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

The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects the credit quality and servicing of the PTC. The key risk is that of the underlying assets and not of the originator. For example, losses or performance of earlier issuances does not indicate quality of current series. However such past performance may be used as a guide to evaluate the loan standards, servicing capability and performance of the originator.

Originators may be: Banks, Non Banking Finance Companies, Housing Finance Companies, etc.

The fund manager / credit analyst evaluates originators based on the following parameters

- Track record.
- Willingness to pay, through credit enhancement facilities etc.
- Ability to pay.
- Business risk assessment, wherein following factors are considered:
 - Outlook for the economy (domestic and global).
 - Outlook for the industry.
 - Company specific factors.

In addition a detailed review and assessment of rating rationale is done including interactions with the originator as well as the credit rating agency.

The following additional evaluation parameters are used as applicable for the originator / underlying issuer for pool loan and single loan securitization transactions:

- Transaction structure including Par versus premium and credit enhancement
- Reputation of Originator in the market
- Proportion of overdue assets of the pool or the underlying loan, as the case may be
- Track record of servicing of the pool or the loan, as the case may be
- Any disputes or litigations in the originated pools
- Credit quality and rating
- Loan to Value ratio
- Liquidity facility

(iii) Risk mitigation strategies for investments with each kind of originator

Risk would be mitigated to a large extent by the critical evaluation parameters mentioned above. Further, Risk mitigation strategies typically include additional credit enhancement, overcollateralization, interest subvention, presence of subordinate tranches, analysing ageing of the pools i.e. how long the loan has been with Originator before securitization etc.

Some of the risks with securitized debt investments and the corresponding risk mitigating strategies are listed below:

Risk mitigation strategy

Limited Recourse, Delinquency and Credit Risk

In addition to careful scrutiny of credit profile of borrower/pool additional security in the form of adequate cash collaterals and other securities may be obtained to ensure that they all qualify for similar rating.

Bankruptcy of the Originator or Seller

Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale from the Originator not being construed as a 'true sale'. It is also in the interest of the originator to demonstrate the transaction as a true sale to get the necessary revenue recognition and tax benefits.

Liquidity and Price risk

Securitized debt instruments are relatively illiquid in the secondary market and hence they are generally held to maturity. The liquidity risk and HTM (Held To Maturity) nature is taken into consideration at the time of analyzing the appropriateness of the securitization.

Prepayment Risk

A certain amount of prepayments is assumed in the calculations at the time of purchase based on historical trends and estimates. Further, a stress case estimate is calculated and additional margins are built in.

(iv) The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to determine the credit risk.

The credit analyst looks at ageing (i.e. how long the loan has been with the originator before securitization) as one way of judging the performance potential of the PTC. Additional risk mitigants may include interest subvention, over collateralization, presence of an equity / subordinate tranche and / or guarantees. The credit analyst also uses analyses by credit rating agencies on the risk profile of the securitized debt.

Currently, the following parameters are used while evaluating investment decision relating to a pool securitization transaction. The Investment Review Committee may revise the parameters from time to time.

Characteristics /Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	Two wheelers	Micro Finance Pools	Personal Loans	Single Sell Downs	Others
Approximate Average maturity (in Months)	Up to 10 years	Up to 5 years	Up to 5 years	Up to 3 years	Up to 80 Weeks	Up to 3 Years	Refer Note 1	Refer Note 2
Collateral (including ,guarantees, Interest subordinate tranche)	Margin Cash excess spread	>5%	>5%	>4%	>4%	>4%	>4%	" "
Average Value	Loan	<90%	<90%	<90%	<90%	Unsecured	Unsecured	" "
Average seasoning of the Pool	>3 months	>3 months	>3 months	>3 months	>3 month	>3 Month	" "	" "
Maximum exposure range	Single	<5%	<7%	Retail	Retail	Retail	Retail	" "
Average exposure range	Single %	<5%	<5%	Retail	Retail	Retail	Retail	" "

Note 1: In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. The investment limits applicable to the underlying borrower are applied to the single loan sell-down.

Note 2: Other investments will be decided on a case-to-case basis.

The credit analyst may consider the following risk mitigating measures in his analysis of the securitized debt:

- Size of the loan – The size of the loan is generally analysed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matched with static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.

- Average original maturity of the pool – the analysis of the average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loan in the respective industry and repayment capacity of the borrower.
- Loan to value ratio, average seasoning of the pool of underlying assets – these parameters will be evaluated based on the asset class as mentioned in the table above.
- Default rate distribution – the credit team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
- Geographical distribution – the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.
- Credit enhancement facility – credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc. could be obtained as a risk mitigation measure.
- Liquid facility – these parameters will be evaluated based on asset class as mentioned in the table above.
- Structure of the pool of the underlying assets – The structure of the pool of the underlying asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

(v) Minimum retention period of the debt by originator prior to securitization

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period before they can be securitized. The minimum holding period depends on the tenor of the securitization transaction. The Fund will invest in securitized debt that are compliant with the laws and regulations.

(vi) Minimum retention percentage by originator of debts to be securitized

RBI has prescribed the minimum retention percentage as 5% or 10% of the book value of the loans being securitised depending on the original maturity of the loans and the features of the securitisation transaction.

(vii) The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund

The key risk is securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the fund is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Review Committee of the asset management company and committee shall review the same at regular interval.

(viii) The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The fund management team has the required experience to analyse and monitor investments in securitised debts. On an on-going basis the rating movement of the securitised debts will be monitored. Credit research agencies also provide analysis of individual instruments and pools. The periodic reports received by the AMC on pool performance will be scanned to check for any change in asset quality and related impact on debt servicing and any impact that it can have on the credit ratings.

Note: The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

E. WHAT ARE THE INVESTMENT STRATEGIES?

To achieve the investment objective of the Scheme, the Fund shall be managed to generate optimal returns consistent with low to moderate levels of risk and high liquidity by investing in high quality debt and money market instruments. The Scheme is positioned at the lowest level of risk-return matrix, which will be the guiding line to make suitable investments with low risk. The Scheme will invest predominantly in money market securities with some allocation towards other debt securities to enhance the portfolio return.

The portfolio, for managing the liquidity will be structured using the matrix of asset liability management whereby maturity of the assets will seek to align with historical observed trends of liabilities. The Scheme will seek to generate reasonable return along with maintaining liquidity with the help of cash and cash equivalent instruments.

The fund management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy, as well as developments in global markets.

The investment team of the AMC will, as a mitigation and risk control procedure, carry out rigorous credit evaluation of the issuer company proposed to be invested in.

The credit evaluation will analyse the operating environment of the issuer, the sector analysis, business model, management, governance practices, quality of the financials, the past track record as well as the future prospects of the issuer and the financial health of the issuer.

Derivatives Strategy:

The Scheme may use Derivative instruments like interest rate swaps, Overnight Indexed Swaps ("OIS"), forward rate agreements, interest rate futures (as and when permitted) or such other Derivative instruments as may be permitted under the applicable regulations. Derivatives will be used for the purpose of hedging, and portfolio balancing or such other purpose as may be permitted under the regulations and Guidelines from time to time.

The Fund will be allowed to take exposure in interest rate swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio. In terms of

Circular No. MFD.BC.191/07.01.279/1999-2000 and MPD.BC.187/07.01.279/1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by RBI permitting participation by Mutual Funds in interest rate swaps and forward rate agreements, the Fund will use Derivative instruments for the purpose of hedging and portfolio balancing. The Fund may also use derivatives for such purposes as maybe permitted from time to time. Further, the guidelines issued by RBI from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to by the Mutual Fund.

IRS and FRA do also have inherent credit and settlement risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

Investments in Derivatives will be in accordance with the extant Regulations / guidelines. Presently Derivatives shall be used for hedging and / or portfolio balancing purposes, as permitted under the Regulations. The circumstances under which such transactions would be entered into would be when, for example using the IRS route it is possible to generate better returns / meet the objective of the Scheme at a lower cost. e.g. if buying a 2 Yr FBIL Mibor based instrument and receiving the 2 Yr swap rate yields better return than the 2 Yr AAA corporate, the Scheme would endeavor to do that. Alternatively, the Scheme would also look to hedge existing fixed rate positions if the view on interest rates is that it would likely rise in the future.

The following information provides a basic idea as to the nature of the Derivative instruments proposed to be used by the Fund and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

Interest Rate Swaps:

An interest rate swap is a contractual agreement between two counter-parties to exchange streams of interest amount on a notional principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis.

Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.

Example

Entity A has a Rs.50 crores, 3-month asset which is being funded through call. Entity B, on the other hand, has deployed in overnight call money market Rs.50 crores, 3-month liability. Both the entities are taking on an interest rate risk.

To hedge against the interest rate risk, both the entities can enter into a 3-month swap agreement based on say FBIL MIBOR (Financial Benchmarks India Private Limited Mumbai Inter Bank Offered Rate). Through this swap, entity B will receive a fixed pre-agreed rate (say 7%) and pay FBIL MIBOR ("the benchmark rate") which will neutralize the interest rate risk of lending in call. Similarly, entity A will neutralize its interest rate risk from call borrowing as it will pay 8% and receive interest at the benchmark rate.

Assuming the swap is for Rs.50 crores 1 January to 1 April, Entity A is a floating rate receiver at the overnight compounded rate and Entity B is a fixed rate receiver. On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

On April 1, they will calculate as explained below:

Entity A is entitled to receive daily compounded call rate for 91 days and pay 7% fixed.

Entity B is entitled to receive interest on Rs.50 crores @ 7% i.e. Rs. 87.26 lacs, and pay the compounded benchmark rate.

Thus on December 1, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 87.26 lacs, entity B will pay entity A the difference and vice versa.

The above example illustrates the use of Derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Forward Rate Agreement (FRA)

A FRA is referred to by the beginning and end dates of the period covered in the transaction. A 2x5 FRA means the 3 month rate starting 2 months from now.

For example, a corporate has a three month fixed liability three months from now. To meet this liability the company enters into a 3x6 FRA where it receives 7.25% for 100 crore and fixes the interest cost for the 3-6 months period. If the actual three month rate three months from now is 7% the corporate has gained 25 bps through interest cost. As the settlement is done at the beginning of the period, the net present value of the savings needs to be calculated using the 3 month rate as the discount rate.

Interest savings = INR 100 crores * 25 bps * 92/365 (assuming 92 days in the 3 month period and 365 days for the year) = INR 6,30,137.

Settlement Amount = INR 6,30,137 / (1 + 7%*92/365) = INR 6,19,212

Interest Rate Futures

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

Example:

Date: 01-August-2018

Spot price of GOI Security: Rs 100.05

Futures price of IRF Contract: Rs 100.12

On 01-August -2018 ABC bought 2000 GOI securities from spot market at Rs 100.05. He anticipates that the interest rate will rise in near future. Therefore to hedge the exposure in underlying market he may sell September 2018 Interest Rate Futures contracts at Rs. 100.12.

On 15-September-2018 due to increase in interest rate:

Spot price of GOI Security: Rs 99.24

Futures Price of IRF Contract: Rs 99.28

Loss in underlying market will be $(99.24 - 100.05) \times 2000 = \text{Rs } 1620$

Profit in the Futures market will be $(99.28 - 100.12) \times 2000 = \text{Rs } 1680$

Certain risks are inherent to Derivative strategies viz. lack of opportunities, inability of Derivatives to correlate perfectly with the underlying and execution risks, whereby the rate seen on the screen may not be the rate at which the transaction is executed. For details of risk factors relating to use of Derivatives, the investors are advised to refer to Scheme Specific Risk Factors.

Portfolio Turnover:

The Scheme being an open-ended Scheme, it is expected that there would be a number of Subscriptions and Redemptions on a daily basis. Further, in the debt market, trading opportunities may arise due to changes in system liquidity, interest rate policy announced by RBI, shifts in the yield curve, credit rating changes or any other factors. In the opinion of the fund manager these opportunities can be played out to enhance the total return of the portfolio, which will result in increase in portfolio turnover. There may be an increase in transaction cost such as brokerage paid, if trading is done frequently. However, the cost would be negligible as compared to the total expenses of the Scheme. Frequent trading may increase the profits which will offset the increase in costs. The fund manager will endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. However, it is difficult to estimate with reasonable accuracy, the likely turnover in the portfolio of the Scheme. The Scheme has no specific target relating to portfolio turnover.

Debt and Money Market In India

The instruments available in Indian Debt Market are classified into two categories, namely Government and Non - Government debt. The following instruments are available in these categories:

A] Government Debt

- Central Government Debt
- Treasury Bills
- Dated Government Securities
- Coupon Bearing Bonds
- Floating Rate Bonds
- Zero Coupon Bonds
- State Government Debt
- State Government Loans / State Developmental Loans
- Coupon Bearing Bonds

B] Non-Government Debt

- Instruments issued by Government Agencies and other Statutory Bodies
- Government Guaranteed Bonds
- PSU Bonds
- Instruments issued by Public Sector Undertakings
- Instruments issued by Corporate Bodies
- Fixed Coupon Bonds
- Floating Rate Bonds
- Instruments issued by Banks and Development Financial institutions
- Fixed Deposits/Short Term Deposits issued by Banks
- Certificates of Deposit

- Zero Coupon Bonds
- Pass through Securities
- Promissory Notes
- Commercial Paper
- Non-Convertible Debentures
- Fixed Coupon Debentures
- Floating Rate Debentures
- Zero Coupon Debentures

Activity in the Primary and Secondary Market is dominated by Central Government Securities including Treasury Bills. These instruments comprise close to 50% of all outstanding debt and close to 75% of the daily trading volume on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

In the money market, activity levels of the Government and Non-Government Debt vary from time to time. Instruments that comprise a major portion of money market activity include but are not limited to,

- CBLO/ Tri Party repo
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit
- Banks Rediscounting Scheme (BRDS)

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The following table gives approximate yields prevailing on September 30, 2018 on some 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 the macro economic conditions and RBI Policies.

Instrument	Yield Range (% per annum)
Interbank Call Money	6.40- 6.60
91 Day Treasury Bill	6.75- 6.95
182 Day Treasury Bill	7.20- 7.40
A1 + Commercial Paper 90 Days	7.85- 8.05
5 Year Government of India Security	7.90-8.10
10 Year Government of India Security	7.95-8.15
1 Year Corporate AAA	8.65-8.85
3 Year Corporate AAA	8.70-8.95

Source: Bloomberg

Derivative market: Derivatives markets have grown over the year. There are mainly three types of derivatives in the Indian market.

1. **Interest Rate Swap** - An Interest Rate Swap (“IRS”) is a financial contract between two parties exchanging or swapping a stream of interest payments for a “notional principal” amount on multiple occasions during a specified period.
2. **Forward Rate Agreement** - A Forward Rate Agreement (“FRA”) is a financial contract between two parties to exchange interest payments for a notional principal amount on settlement date, for a specified period from start date to maturity date.
3. **Interest Rate Futures:** A futures contract is a standardized, legally binding agreement to buy or sell a commodity or a financial instrument in a designated future month at a market determined price (the futures price) by the buyer and seller.

Risk Control

Risk is an inherent part of the investment function. Effective risk management is critical to fund management for achieving financial soundness. Investments by the Scheme shall be made as per the investment objectives of the Scheme and provisions of SEBI regulations. AMC has incorporated adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep it in line with the investment objective of the Scheme. The risk control process involves identifying & measuring the risk through various risk measurement tools like but not limited to tracking error, concentration limits, stress test etc. The AMC has systems which enables the fund manager to calculate various risk ratios, average duration. All investments in unrated papers will be as per the parameters define by the Board of AMC & Trustee Company. Further, all investment in unrated papers are periodically reviewed by Investment Review Committee.

Investments by the AMC in the Scheme

Subject to the Regulations and to the extent permitted by SEBI from time to time, the AMC may invest in the Scheme. However, the AMC will not charge investment management fee on such investment in the Scheme.

F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme(s), in terms of Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations:

- i. Type of scheme - **An Open-Ended Liquid Scheme**
- ii. Investment Objective and Asset Allocation – **Refer Section II, Point B & C**
- iii. Terms of Issue: -
 - Liquidity provisions such as listing, repurchase, redemption. **Refer Section III, Point no. A - NEW FUND OFFER (NFO);**
Aggregate maximum fees and expenses charged to the Scheme. – **Refer Section IV, Point no. B - Annual Scheme recurring Expenses**
 - Any safety net or guarantee provided - **Not Applicable.** The Scheme does not provide any guaranteed or assured return).

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

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

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

CRISIL Liquid Fund Index.

Justification for use of benchmark

A benchmark of a fund reflects the funds risk/return profile and is a measure for performance evaluation. The Scheme intends to invest in a portfolio of securities and the risk/return profile which is best captured by the following selected benchmark.

CRISIL Liquid Fund Index developed by CRISIL, fulfills the above criteria's and hence is considered best suited as a benchmark for the Scheme for performance evaluation.

The constituents and weights of CRISIL Liquid Fund Index are as under:

Constituents	Sub-indices Weights (2018-19)
CRISIL CBLO Index	15.00%
CRISIL 2 Month CP Index	54.00%
CRISIL 2 Month CD Index	10.00%
CRISIL 3 Month CP Index	16.00%
CRISIL 3 Month CD Index	5.00%
Total	100%

The Trustee/AMC 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 Regulations and other prevalent guidelines.

H. WHO MANAGES THE SCHEME?

The Scheme will be managed by Mr. Piyush Baranwal.

Name of the Fund Manager	Age / Qualification	Experience of the Fund Manager in the last 10 years	Names of other schemes under his management
Mr. Piyush Baranwal (Managing the Scheme - Since Launch of the scheme)	34/ Bachelor of Engineering, CFA (USA), PGDBM	Over 10 years' experience in Portfolio Management and trading in Fixed Income securities. Experience details: 1. BOI AXA Investment Managers - July 2014 - October 19, 2018 2. Morgan Stanley Investment Management - Jan 2011 to June 2014 3. Principal PNB Asset Management Company - May 2008 to Jan 2011	---

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to Regulations, specifically the Seventh Schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

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 authorized to carry out such activities under the SEBI Act, 1992. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Board of Trustee and the Board of AMC.

Such limit shall not be applicable for investment in Government Securities, treasury bills and collateralized borrowing and lending obligations (TREPS).

Investments within such limit can be made in the mortgaged backed securitised debt, which are rated not below investment grade by a credit rating agency, registered with SEBI.

2. The Scheme shall not invest more than 10% of its NAV in un-rated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the Scheme. All such investments shall be made based on parameters approved by the AMC and Trustee Board.
3. The Scheme may invest in other schemes of the Mutual Fund 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 the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund.
4. The Scheme shall not make any investment in,
 - Any unlisted security of an associate or group company of the Sponsor; or

- Any security issued by way of private placement by an associate or group company of the Sponsor; or
 - The listed securities of group companies of the Sponsor which is in excess of 25 percent of the net assets of the Scheme.
5. Transfer of investments from one scheme to another scheme in the Mutual Fund is permitted provided:
- Such transfers are done at the prevailing market price for quoted instruments on Spot Basis (Spot Basis shall have the same meaning as specified by a stock exchange for spot transactions) and in line with the process laid down by AMC; and
 - The Securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
6. The Mutual 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.
7. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities.

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

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

8. The Scheme shall not make any investment in any fund of funds scheme.
9. Save as otherwise expressly provided under SEBI (Mutual Funds) Regulations, 1996, the Scheme shall not advance any loans.
10. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/redemption of Units or payment of interest and/or dividend to the Unit holders.

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

11. SEBI, vide its circular no. Cir/IMD/DF/11/2010 dated August 18, 2010 has prescribed the following investment restrictions with respect to investment in derivatives:
- a. The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
 - b. Mutual Fund shall not write options or purchase instruments with embedded written options.

- c. The total exposure related to option premium paid must not exceed 20% of the net assets of the Scheme.
 - d. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:-
 - i. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains;
 - ii. 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 (a) above.
 - iii. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - iv. 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.
 - e. Mutual Fund may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases 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.
 - f. 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 (a) above.
12. The Scheme's total exposure in a particular sector (excluding investments in Bank CDs, CBLO/ Tri Party repo, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 25% 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 15% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only;
- Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total Investment/exposure in HFCs shall not exceed 25% of the net assets of the Scheme.
13. The Scheme's total exposure in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustee.

For this purpose, a group means a group as defined under regulation 2 (mm) of the Regulations and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

14. Pending deployment of funds of the Scheme in terms of the investment objective of the Scheme, the AMC may invest the funds of the Scheme in short term deposits of scheduled commercial banks in accordance with the guidelines set out by SEBI under the Regulations. The Scheme will comply with the following guidelines/restrictions for parking of funds in short term deposits: -
- i. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
 - ii. Such short-term deposits shall be held in the name of the Scheme.
 - iii. 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 the approval of the Trustee.
 - iv. Parking of funds in short term deposits of associate and sponsors scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
 - v. 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.
 - vi. The Scheme shall not park funds in short-term deposit of a bank which has invested in the said Scheme.
 - vii. The AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks, in case of liquid and debt oriented schemes.

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

15. The scheme shall participate Repo in corporate debt securities in accordance with SEBI Circular CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and such other directions issued by RBI and SEBI from time to time.
1. The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset of the scheme.
 2. The cumulative gross exposure through repo transactions in Corporate debt securities along with debt and derivative positions shall not exceed 100% of the net assets of the scheme or guidelines as may be specified by SEBI from time to time.

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

Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.

As such all investments of the Scheme will be made in accordance with the Regulations, including Schedule VII thereof and the Fundamental Attributes of this Scheme.

Further the scheme shall always adhere to the guidelines on portfolio of Liquid Scheme as mandated by SEBI Circular No. SEBI/IMD/CIR No. 13/150975/09 dated January 19, 2009.

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

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

J. HOW HAS THE SCHEME PERFORMED?

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

K. PRODUCT DIFFERENTIAL WITH THE EXISTING OPEN ENDED DEBT SCHEME.

Being the first Scheme of YMF. The same is not applicable.

L. ADDITIONAL DISCLOSURES

(i) SCHEME PORTFOLIO HOLDINGS

- a) Top 10 holdings: Not Available
- b) Sector wise holdings: Not Available

This is a new Scheme, hence, this is not applicable. Link to the scheme’s latest monthly portfolio holding _____

Note: The portfolio shall be available, once the portfolio has been constructed.

(ii) INVESTMENT DETAILS:

Category	Aggregate investment (Rs. In lakhs)
1. AMC’s Board of Directors	Not Available
2. Concerned Scheme’s Fund Manager(s)	Not Available
3. Other Key managerial personnel	Not Available

Since the Scheme is a new Scheme, the aggregate investment in the scheme is not available.

Monthly Portfolio Disclosure:

The Fund/ AMC will disclose the portfolio (along with ISIN) of the Scheme as on the last day of the month on its website www.yesamc.in on or before the tenth day of the succeeding month in a user-friendly and downloadable format.

Portfolio Turnover Ratio: Not Available

III. UNITS AND OFFER

A. NEW FUND OFFER (NFO)

<p>New Fund Offer Period</p> <p>This is the period during which a new scheme sells its units to the investors</p>	<p>NFO opens on: NFO closes on:</p> <p>Scheme re-opens for continuous sale & repurchase not later than: _____, 2018</p> <p>The Trustee/AMC reserves the right to extend the closing date of the NFO period, subject to the condition that the NFO period shall not be kept open for more than 15 days. The Trustee / AMC reserves the right to close the NFO before the NFO closing date. Any such changes shall be announced by way of a newspaper advertisement in one vernacular daily of Mumbai and one English national daily</p>
<p>New Fund Offer Price:</p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>Rs. 1,000/- per unit</p>
<p>Minimum Amount For Application in the NFO</p>	<p>Rs 10,000/- and in multiples of Re 1/- thereafter.</p>
<p>Minimum Target amount</p> <p>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within five working days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of five working days from the date of closure of the subscription period.</p>	<p>Rs. 20 crores</p> <p>In the event this amount is not raised during the NFO period, the amount collected under the Schemes will be refunded to the applicants as mentioned in the section, 'Refund'.</p>
<p>Maximum Amount to be raised (if any) This is the maximum amount which can be collected during the NFO period, as decided by the AMC.</p>	<p>Not Applicable.</p>
<p>Plans / Options offered</p>	<p>The Scheme will have two Plans i.e. Direct Plan & Regular Plan</p> <p>Direct Plan is only for investors who purchase / subscribe Units in the Scheme directly with the Fund and is not</p>

<p>available for investors who route their investments through a Distributor.</p> <p>Both Regular and Direct Plan(s), offer the below options / sub-options / facilities:</p>			
Options	Default Plan / Option	Frequency *	Record Date
Growth	Growth Option in case Growth Option or Dividend Option is not indicated.	-	-
Dividend • Daily (Reinvestment) • Weekly (Reinvestment) • Monthly (Payout and Reinvestment)	Daily Dividend Reinvestment Option in case Daily / Weekly / Monthly Dividend Option is not indicated Dividend Reinvestment in case Payout or Reinvestment is not indicated	Daily	Daily - Every
		Weekly	Weekly - Every Wednesday
		Monthly	Monthly - 15 of the month
<p>* or immediately succeeding Business Day if that is not a Business Day. The Trustee / AMC reserves the right to change the frequency/ record date from time to time.</p> <p>Direct Plan will have a lower expense ratio excluding distribution expenses, commission for distribution of Units etc. Direct Plan is only for investors who purchase /subscribe Units directly with the Fund (i.e. application not routed through Distributor). Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund (except Stock Exchange Platform(s) and all other Platform(s) where investors' applications for subscription of units are</p>			

routed through Distributors). Further Registered Investment Advisors (RIAs) can also purchase units of Direct Plan on behalf of their clients through NMF-II platform of National Stock Exchange of India Ltd. and/or BSE StAR MF System of BSE Ltd.

The portfolio of Direct Plan will form part of portfolio of the Scheme and there will be no separate portfolio for Direct Plan. Further, the options i.e. Growth and Dividend will have common portfolio under the Scheme. If dividend payable under Dividend payout option is equal to or less than Rs. 500/-, then the dividend would be compulsorily reinvested in the respective plan/option of the Scheme.

Default Plan

Investors subscribing under Direct Plan of the Scheme will have to indicate “Direct Plan” against the Scheme name in the application form. However, if distributor code is mentioned in application form, but “Direct Plan” is mentioned against the Scheme name, the distributor code will be ignored and the application will be processed under “Direct Plan”. Further, where application is received for Regular Plan without Distributor code or “Direct” mentioned in the ARN Column, the application will be processed under Direct Plan.

The below table summarizes the procedures which would be adopted by the AMC for applicability of Direct Plan / Regular Plan, while processing application form/transaction request under different scenarios:

Sr. No.	AMFI Registration Number (ARN) Code mentioned in the application form/ transaction request	Plan as selected In the application form/ transaction request	Transaction shall be processed And Units shall Be allotted under
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct Plan	Direct Plan
3	Not mentioned	Regular Plan	Direct Plan
4	Mentioned	Direct Plan	Direct Plan
5	Direct	Not mentioned	Direct Plan

6	Direct	Regular Plan	Direct Plan
7	Mentioned	Regular Plan	Regular Plan
8	Mentioned	Not mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall endeavor to contact the investor/distributor and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

Default Option - Growth
Default Dividend Frequency - Daily

(i) Growth Option
The Mutual Fund will not declare any dividends under this option. The income earned under this Option will remain invested in the option and will be reflected in the NAV. This option is suitable for investors who are not looking for current income but who have invested with the intention of capital appreciation.

(ii) Dividend Option
Under this option, dividends will be declared at periodic intervals at the discretion of the Trustees, subject to availability of distributable surplus calculated in accordance with SEBI (MF) Regulations. On payment of dividend, the NAV of the Units under dividend option will fall to the extent of the dividend payout and applicable statutory levies, if any.

(iii) Dividend Payout Facility
Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unitholders / Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, on the notified record date.

(iv) Dividend Reinvestment Facility
Under this facility, the dividend due and payable to the Unit holders will be compulsorily and without any further act by the Unit holder, reinvested in the

	<p>dividend option at a price based on the prevailing ex-dividend Net Asset Value per Unit on the record date. The amount of dividend re-invested will be net of tax deducted at source, wherever applicable. The dividends so reinvested shall constitute a constructive payment of dividends to the Unit holders and a constructive receipt of the same amount from each Unit holder for reinvestment in Units.</p> <p>On reinvestment of dividends, the number of Units to the credit of Unit holder will increase to the extent of the dividend reinvested divided by the Applicable NAV.</p> <p>There shall, however, be no Load(s) (if any) on the dividend so reinvested.</p> <p>For details on taxation of dividend, please refer the SAI.</p> <p>Notes:</p> <ol style="list-style-type: none"> a. An investor on record for the purpose of dividend distributions is an investor who is a Unit Holder as of the Record Date. In order to be a Unit Holder, an investor has to be allocated Units representing receipt of clear funds by the Scheme. b. Investors should indicate the name of the Plan and/or Option, clearly in the application form. In case of valid applications received, without indicating the Plan and/or Option etc. or where the details regarding Option are not clear or ambiguous, the default options as mentioned above, will be applied. <p>Investors shall note that once Units are allotted, AMC shall not entertain requests regarding change of Option, with a retrospective effect.</p>
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<p>Dividend Policy</p>	<p>Under the Dividend option, the Trustee will have discretion to declare the dividend, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of Dividend and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with SEBI (MF) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unitholder as to the rate of Dividend nor that will the Dividend be paid regularly.</p> <p>The AMC/Trustee reserves the right to change the frequency of declaration of Dividend or may provide additional frequency for Declaration of Dividend.</p> <p>Dividend Distribution Procedure</p> <p>In accordance with SEBI Circular no. SEBI/ IMD/ Cir No. 1/ 64057/06 dated April 4, 2006, the procedure for Dividend distribution would be as under:</p> <ol style="list-style-type: none"> 1. Quantum of Dividend and the record date will be fixed by the Trustee. Dividend so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the Dividend including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of Unitholders whose names appear on the register of Unitholder for receiving Dividends. The Record Date will be 5 calendar days from the date of issue of notice. 4. The notice will, in font size 10, bold, categorically state that pursuant to payment of Dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). 5. The NAV will be adjusted to the extent of Dividend distribution and statutory levy, if any, at the close of Business Hours on record date.
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	<p>6. Before the issue of such notice, no communication indicating the probable date of Dividend declaration in any manner whatsoever will be issued by Mutual Fund.</p> <p>7. Effect of Dividend: Post declaration of dividend, the NAV of the Units under the Dividend Payout Option will stand reduced by the amount of dividend declared and applicable dividend distribution tax/surcharge/cess/any other statutory levy.</p> <p>8. The treatment of unclaimed redemption and dividend amounts will be as per SEBI circular dated February 25, 2016</p> <p>The requirement of giving notice shall not be applicable for dividend options having frequency upto one month.</p>
<p>Allotment</p>	<p>Applicants under both the Direct and Regular Plan(s) offered under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form.</p> <p>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. However, in case of Unit Holders holding units in the dematerialized mode, the Fund will not send the account statement to the Unit Holders. The statement provided by the Depository Participant will be equivalent to the account statement.</p>
<p>Refund</p>	<p>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.</p> <p>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 business days of the closure of NFO period.</p> <p>In absence of the required banking details to process the refund through electronic manner, the refund instruments will be dispatched within 5 business days of the closure of NFO period. In the event of delay beyond 5 business days, the AMC shall be liable to pay interest at 15% per annum or such other rate of interest as maybe prescribed from time to time. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant (in the case of a sole applicant) and in the name</p>

	<p>of the first applicant in all other cases, or by any other mode of payment as authorised by the applicant. All refund orders will be sent by registered post or as permitted by Regulations.</p> <p>The bank and/ or collection charges, if any, will be borne by the applicant. All the refund payments will be sent by registered post or courier service or as required under The Regulations.</p>
<p>Who can invest 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. Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing them and any Indian law from investing in the Scheme and are authorized to purchase units of mutual funds as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions.</p>	<p>The following persons (subject, wherever relevant, to purchase of Units, being permitted and duly authorized under their respective constitutions / bye-laws)</p> <ol style="list-style-type: none"> 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; 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) / Persons of Indian origin (PIOs)/ /Overseas Citizens of India (OCIs) residing abroad on repatriation basis or on non-repatriation basis; 10. Foreign Portfolio Investors (FPIs) registered with SEBI; 11. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 12. Scientific and Industrial Research Organisations;

	<p>13. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI;</p> <p>14. Provident/ Pension/ Gratuity Fund to the extent they are permitted;</p> <p>15. Other schemes of YES Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations;</p> <p>16. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme;</p> <p>17. Such other person as maybe decided by the AMC from time to time.</p>
<p>Who cannot invest</p>	<p>It should be noted that the following persons cannot invest in the Scheme:</p> <ol style="list-style-type: none"> 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. U.S. Persons (excluding NRIs, Overseas Citizens of India or Person of Indian Origin or Foreign Portfolio Investors registered with SEBI which are permitted to invest in the units of domestic mutual funds pursuant to the provisions of the FEMA Act and the regulations thereunder) and Residents of Canada. 5. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Schemes of YES Mutual Fund. <p>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.</p> <p>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</p>

	<p>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.</p>
<p>Where can you submit the filled up applications.</p>	<p>During the NFO period, the applications duly filled up and signed by the applicants should be submitted at the office of the ISCs of AMC / CAMS whose names and addresses are mentioned at the end of this document.</p> <p>AMC reserves the right to appoint collecting bankers during the New Fund Offer Period and change the bankers and/or appoint any other bankers subsequently.</p> <p>Please refer to the back cover page of the Scheme Information Document for details.</p> <p>ASBA applications can be submitted only at Self Certified Syndicate Bank (SCSB) at their designated branches. List of SCSBs and their designated branches shall be displayed on the SEBI's website (www.sebi.gov.in)</p>
<p>How to Apply</p>	<p>Please refer to the SAI and application form for the instructions.</p>
<p>Listing</p>	<p>The Scheme is an open-ended liquid scheme under which sale and repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the Trustee may at their discretion list the units on any Stock Exchange.</p>
<p>Special Products / facilities available during the NFO</p>	<p>Applications Supported by Blocked Amount (ASBA) facility</p> <p>ASBA facility will be provided to the investors subscribing to NFO of the Scheme. It shall co-exist with the existing process, wherein cheques / demand drafts are used as a mode of payment. Please refer ASBA application form for detailed instructions.</p> <p>Stock Exchange Infrastructure Facility:</p> <p>The investors can subscribe to the Units in the "Growth" option of the Scheme through platform of National Stock Exchange (MFSS and NMFII) and "BSEStAR MF" platform of Bombay Stock Exchange.</p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the Scheme or the AMC) involved in the same.</p>	<p>Units once redeemed will be extinguished and will not be reissued</p>

<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>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 when there are 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 such as:</p> <ol style="list-style-type: none"> 1. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. 2. 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. 3. Operational issues - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems. <p>Such restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period. However, if exceptional circumstances / systemic crisis referred above continues beyond the expected timelines, the restriction may be extended further subject to the prior approval of Board of Directors of the AMC and Trustee Company giving details of circumstances and justification for seeking such extension shall also be informed to SEBI in advance.</p> <p><u>Procedure to be followed while imposing restriction on redemptions</u></p> <ol style="list-style-type: none"> a. No redemption requests upto INR 2 lacs per request shall be subject to such restriction; b. Where redemption requests are above INR 2 lacs: <ol style="list-style-type: none"> i. The AMC shall redeem the first INR 2 lacs of each redemption request, without such restriction;
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	ii. Remaining part over and above INR 2 lacs shall be subject to such restriction and be dealt as under:
Cash Investments in mutual funds	Currently this facility is not available at the fund level. once the facility is made available to the investors, Investor shall be informed via appropriate notice which shall be displayed on our website as well as at the Investor Service Centres.

B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period This is the date from which the scheme will reopen for Subscriptions / redemptions after the closure of the NFO period.</p>	<p>The Scheme will reopen for continuous subscription/redemption on or before _____ 2018.</p>
<p>Ongoing price for Subscription (purchase) / switch-in (from other schemes/plans of the Mutual Fund) by investors. (This is the price you need to pay for purchase/switch-in)</p>	<p>At the Applicable NAV</p> <p>In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 01, 2009.</p> <p>Pursuant to SEBI circular No.SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, with effect from April 1, 2008, no entry load or exit load shall be charged in respect of units allotted on reinvestment.</p>
<p>Ongoing price for redemption (sale) / switch-outs (to other schemes/plans of the Mutual Fund) by investors (This is the price you will Receive for redemptions /switch outs)</p>	<p>At the Applicable NAV subject to prevailing exit load.</p> <p>During the continuous offer of the Scheme, the Unitholder can redeem the Unit at Applicable NAV, subject to payment of Exit Load, if any. It will be calculated as follows:</p> <p>Redemption Price = Applicable NAV*(1-Exit Load, if any) Example: If the Applicable NAV is Rs. 10, Exit Load is 2% then redemption price will be: =Rs. 10*(1-0.02) Rs. 10*(1-0.02) = Rs. 9.80</p> <p>The Fund will ensure that the Redemption Price is not lower than 93% of the NAV and the Purchase Price is not higher than 107% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Units shall not exceed the</p>

	<p>permissible limit of 7% of the Purchase Price, as provided for under the current Regulations.</p>
<p>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.</p>	<p>Subscriptions/Purchases including Switch - ins:</p> <ul style="list-style-type: none"> <input type="checkbox"/> In respect of valid applications received upto 2.00 p.m. on a Business Day at the Official Point(s) of Acceptance and where the funds for the entire amount of subscription / purchase as per the application / switch-in request, are credited to the bank account of the Scheme before the cut-off time i.e. available for utilization before the cut-off time - the closing NAV of the day immediately preceding the day of receipt of application shall be applicable; <input type="checkbox"/> In respect of valid applications received after 2.00 p.m. on a Business Day at the Official Point(s) of Acceptance and where the funds for the entire amount of subscription / purchase as per the application / switch-in request, are credited to the bank account of the Scheme on the same day i.e. available for utilization on the same day - the closing NAV of the day immediately preceding the next Business Day shall be applicable. <input type="checkbox"/> Irrespective of the time of receipt of valid applications at the Official Point(s) of Acceptance, where the funds for the entire amount of subscription / purchase as per the application / switch-in request, are not credited to the bank account of the Scheme before the cut-off time i.e. not available for utilization before the cut-off time - the closing NAV of the day immediately preceding the day on which the funds are available for utilization, shall be applicable. <p>For switch-in to Liquid Schemes/Plans from other Schemes of YES Mutual Fund:</p> <ol style="list-style-type: none"> a. Application for switch-in is received before the applicable cut-off time. b. Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the respective switch-in liquid schemes before the cut-off time. c. The funds are available for utilization before the cut-off time, by the respective switch-in schemes. <p>Redemptions including Switch-Outs:</p> <ul style="list-style-type: none"> <input type="checkbox"/> In respect of valid applications received upto 3 p.m. on a Business Day by the Mutual Fund - the closing NAV of the day immediately preceding the next Business Day, shall be applicable.

	<p>□ In respect of valid applications received after 3 p.m. on a Business Day by the Mutual Fund – the closing NAV of the next Business Day shall be applicable.</p> <p>The above mentioned cut off timing shall be applicable to transactions through the online trading platform. The Date of Acceptance will be reckoned as per the date & time; the transaction is entered in stock exchange 's infrastructure for which a system generated confirmation slip will be issued to the unitholder.</p>
<p>Where can the applications for purchase / redemption / switches be submitted?</p>	<p>Applications for purchase/redemption/switches be submitted at any of the Investor Service Centres mentioned in this Scheme Information Document or any other location designated as such by the AMC, at a later date. The addresses of the Investor Service Centres are given at the end of this Scheme Information Document and also on the website, www.yesamc.in.</p> <p>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.</p>
<p>Minimum amount for purchase/redemption/switches</p>	<p>Minimum Amount for Subscription / Purchase*: Rs. 10,000/- and in multiples of Re. 1/- thereafter.</p> <p>Minimum Amount for Switch in: Rs. 10,000/- and in multiples of Re. 1/- thereafter.</p> <p>Minimum Additional Purchase Amount Rs. 1,000/- and in multiples of Re.1/- thereafter.</p> <p>Minimum Amount for Redemption / Switch-outs: Rs. 1,000/- or 1 unit or account balance, whichever is lower in respect of each Option.</p> <p>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.</p> <p>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.</p>
<p>Minimum balance to be maintained and consequences of non-maintenance</p>	<p>There is no minimum balance requirement.</p> <p>Investors may note that in case balance in the account of the Unit holder does not cover the amount of redemption request, then</p>

	<p>the Mutual Fund is authorized to redeem all the Units in the folio and send the redemption proceeds to the Unit holder. However, the Fund may revise the minimum/maximum amounts and methodology for redemptions as and when necessary. Such modifications shall be carried out on a prospective basis from the date of notification of such change and would not, in any manner, be prejudicial to the interests of the investors who have joined the scheme before such notification. Changes if any would be suitably communicated to the unitholders.</p>											
<p>Special Available Products</p>	<p>a) Intra -Scheme Switching option:</p> <p>Unitholders under the Scheme have the option to Switch their Unit holding from one plan/option to another plan/option (i.e. Regular Plan to Direct Plan and Growth option to Dividend option and vice-a-versa). The Switches would be done at the Applicable NAV based prices and the difference between the NAVs of the two options will be reflected in the number of Unit allotted.</p> <p>Switching shall be subject to the applicable “Cut off time and Applicable NAV” stated elsewhere in the Scheme Information Document. In case of “Switch” transactions from one scheme to another, the allocation shall be in line with Redemption payouts.</p> <p>b) Systematic Withdrawal Plan (SWP): This facility enables an investor to withdraw sums from their Unit accounts in the Scheme at periodic intervals through a one-time request. The withdrawals can be made as follows:</p> <table border="1" data-bbox="612 1350 1473 1798"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Frequency Available</th> </tr> <tr> <th>Monthly</th> <th>Quarterly</th> </tr> </thead> <tbody> <tr> <td>SWP Transaction Dates</td> <td>1st or 7th or 10th or 15th or 25th of every month</td> <td>1st or 7th or 10th or 15th or 25th of month of every Quarter</td> </tr> <tr> <td>Minimum no. of installments and Minimum amount of installment</td> <td>2 installments of Rs. 1000/- each and in multiples of Re.1/- thereafter</td> <td>2 installments of Rs. 1000/- each and in multiples of Re.1/- thereafter</td> </tr> </tbody> </table> <ol style="list-style-type: none"> The withdrawals will commence from the start date mentioned by the investor in the SWP Application Form. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. The request for enrollment / processing of SWP will only be on a Business Day at the applicable NAV. In case during the term of SWP processing date falls on a non-Business Day, then 	Particulars	Frequency Available		Monthly	Quarterly	SWP Transaction Dates	1st or 7th or 10th or 15th or 25th of every month	1st or 7th or 10th or 15 th or 25th of month of every Quarter	Minimum no. of installments and Minimum amount of installment	2 installments of Rs. 1000/- each and in multiples of Re.1/- thereafter	2 installments of Rs. 1000/- each and in multiples of Re.1/- thereafter
Particulars	Frequency Available											
	Monthly	Quarterly										
SWP Transaction Dates	1st or 7th or 10th or 15th or 25th of every month	1st or 7th or 10th or 15 th or 25th of month of every Quarter										
Minimum no. of installments and Minimum amount of installment	2 installments of Rs. 1000/- each and in multiples of Re.1/- thereafter	2 installments of Rs. 1000/- each and in multiples of Re.1/- thereafter										

	<p>such request will be processed on the next following Business Day's applicable NAV.</p> <p>3. The request for enrollment of SWP in the prescribed form should be received at any official point of acceptance / Investor service center at least 7 Business Days in advance before the execution / commencement date.</p> <p>4. The request for discontinuation of SWP in the prescribed form should be received at any official point of acceptance / Investor Service Center at least 10 Business Days in advance before the execution / commencement date. A request for SWP will be treated as a request for Redemption from/Subscription into the respective Option(s)/Plan(s) of the Scheme(s) as opted by the Investor, at the applicable NAV.</p> <p>c) Application / Transactions through Fax mode:</p> <p>Subject to the investor fulfilling certain terms and conditions as stipulated by the AMC from time to time, the AMC, Mutual Fund, or representative of the AMC, Mutual Fund ("the Recipient") may (at its sole discretion and without being obliged in any manner to do so and without being responsible and/ or liable in any manner whatsoever) accept and process any application, supporting documents and / or instructions submitted by an investor / Unit holder by facsimile ("Fax Submission") and the investor / Unit holder voluntarily and with full knowledge takes and assumes any and all risk associated therewith.</p> <p>The Recipient shall have no obligation to check or verify the authenticity or accuracy of Fax Submission purporting to have been sent by the investor and may act thereon as if same has been duly given by the investor. In all cases the investor will have to submit the original documents/ instruction to the AMC/ Mutual Fund.</p> <p>The original of the transaction instructions shall clearly bear on every page the statement "Already Faxed. For Record Purpose". Further, any failure to do so on part of the investor might result in duplication in processing of transaction and the AMC shall not be held liable as such.</p> <p>The investor acknowledges that the Fax Submission is not a secure means of giving instructions / transactions requests and that the investor is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc.</p> <p>The investor's request to the Recipient to act on the Fax Submission is for the investor's convenience and the Recipient is not obliged or bound to act on the same. The investor authorizes the recipient to</p>
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	<p>accept and act on any Fax Submission which the Recipient believes in good faith to be given by the investor and the Recipient may at its discretion treat any such transaction as if the same was given to the Recipient under the investor's original signature. The investor accepts that the Fax Submission shall not be considered until time stamped as a valid transaction request in the Scheme in line with SEBI regulations.</p> <p>The Recipient will also not be liable in the case where the transaction sent or purported to be sent is not processed on account of the fact that it was not received by the Recipient. In case there is any difference between the particulars mentioned in the Fax Submission received as against the original document which may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom.</p> <p>The investor agrees that the Recipient may adopt additional security measures including signature verification, telephone call backs or a combination of the same, which may be recorded and the investor consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such transaction requests.</p> <p>In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any Fax Submission request received / purporting to be received from the investor, the investor agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on Fax Submission requests including relying upon such transaction requests purporting to come from the investor even though it may not come from the Investor.</p> <p>The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time.</p> <p>d) Stock Exchange Infrastructure Facility</p> <p>The investors can subscribe to / switch / redeem the Units of the Scheme under "Growth" option platform of National Stock Exchange(" MFSS", "NMFII ") and "BSEStAR MF" platform of Bombay Stock Exchange. Please contact any of the Investor Service Centers of the Mutual Fund to understand the detailed process of transacting through this facility.</p>
<p>Account Statements</p>	<p>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</p>

	<p>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.</p> <p>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.</p> <p>Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 5 Business Days of the receipt of request for the certificate.</p> <p>Unit certificate, if issued, must be surrendered along with the request for Redemption / Switch or any other transaction of Units covered therein.</p> <p>Consolidated Account Statement (CAS)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Consolidated account statement for each calendar month shall be issued, on or before tenth day of succeeding month, detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folios transaction has taken place during that month. The AMC shall identify common investors across fund houses by their permanent account number (PAN) for the purposes of sending CAS. <input type="checkbox"/> In the event the account has more than one registered holder, the first named Unitholder shall receive the CAS. <input type="checkbox"/> The transactions viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic withdrawal plan carried out by the Unit holders shall be reflected in the CAS on the basis of PAN. <input type="checkbox"/> The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. <input type="checkbox"/> Pursuant to SEBI Circular no. CIR /MRD /DP /31/2014 dated November 12, 2014, Depositories shall generate and dispatch a single consolidated account statement for investors (in whose folio the transaction has taken place during the month) having mutual fund investments and holding demat accounts. <input type="checkbox"/> Based on the PANs provided by the asset management companies / mutual funds' registrar and transfer agents (AMCs/MF-RTAs, the Depositories shall match their PAN database to determine the common PANs and allocate the PANs among themselves for the purpose of sending CAS. For PANs which are common between depositories and AMCs, the Depositories shall send the CAS. In other cases (i.e. PANs with
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	<p>no demat account and only MF units holding), the AMCs/ MF-RTAs shall continue to send the CAS to their unit holders as is being done presently in compliance with the Regulation 36(4) of the SEBI (Mutual Funds) Regulations.</p> <ul style="list-style-type: none"> □ Where statements are presently being dispatched by email either by the Mutual Funds or by the Depositories, CAS shall be sent through email. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered in the Depository system. <p>Half Yearly Consolidated Account Statement</p> <p>A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/ March), on or before 10th day of succeeding month, to all such Unitholders holding units in non- demat form in whose folios no transaction has taken place during that period shall be sent by email. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive the same in physical mode.</p> <p>Option to hold units in dematerialised (demat) form</p> <p>The Unit holders would have an option to hold the Units “in electronic i.e. demat form. However, this facility is not available for investment under Daily Dividend The Applicants intending to hold Units in demat form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units.</p> <p>In case investors desire to convert their existing physical units (represented by statement of account) into dematerialized form or vice versa, the request for conversion of units held in physical form into Demat (electronic) form or vice versa should be submitted along with a Demat/Remat Request Form to their Depository Participants. In case the units are desired to be held by investor in dematerialized form, the KYC performed by Depository Participant shall be considered compliance of the applicable SEBI norms.</p> <p>Investors desirous of having the Units of the Scheme in dematerialized form should contact the ISCs of the AMC/Registrar. For details, Investors may contact any of the Investor Service Centres of the AMC.</p> <p>Account Statement for demat account holders</p> <p>In case of Unit Holders holding units in the dematerialized mode, the AMC will not send the account statement to the Unit Holders.</p>
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	<p>The demat statement issued by the Depository Participant would be deemed adequate compliance with the requirements in respect of dispatch of statements of account.</p> <p>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.</p>
<p>Dividend</p>	<p>The Dividend warrants / cheque / demand draft shall be dispatched to the Unit Holders within 30 days of the date of declaration of the dividend. In the event of failure to dispatch the dividend within the stipulated 30 day period, the AMC shall be liable to pay interest @ 15 percent per annum for the delayed period, to the Unit holders.</p> <p>The Dividend 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.</p> <p>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 Units or, if there are more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund.</p> <p>The redemption proceeds shall be dispatched to the unitholders within 10 business days from the date of receipt of redemption application, complete / in good order in all respects.</p>
<p>Redemption</p>	<p>How to Redeem</p> <p>A Transaction Slip can be used by the Unitholder to request for Redemption. The requisite details should be entered in the Transaction Slip and submitted at an ISC/Official Point of Acceptance. Transaction Slips can be obtained from any of the ISCs/Official Points of Acceptance.</p> <p>Procedure for payment of redemption</p> <p>1. Resident Unitholders</p> <p>Unitholders will receive redemption proceeds directly into their bank account through electronic Funds Transfer(EFT) or such other manner as decided by AMC from time to time. unless they have opted to receive the proceeds through Cheque/ Demand Draft. Redemption proceeds will be paid in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) through</p>

“Account Payee” cheque / demand draft with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI, . Redemption cheques will be sent to the Unit holder’s address (or, if there is more than one holder on record, the address of the first-named Unit holder). Investors are requested to provide their bank details in the Application Form failing which the same will be rejected as per current Regulations.

The redemption proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post / UCP to the registered address of the sole / first holder as per the records of the Registrars. For the purpose of delivery of the redemption instrument, the dispatch through the courier / Postal Department, as the case may be, shall be treated as delivery to the investor. The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated above.

2. Non-Resident Unitholders

Payment to NRI / FII Unit holders will be subject to the relevant laws / guidelines of the RBI as are applicable from time to time (also subject to deduction of tax at source as applicable).

In the case of NRIs:

Credited to the NRI investor's NRO account, where the payment for the purchase of the Units redeemed was made out of funds held in NRO account; or

Remitted abroad or at the NRI investor's option, credited to his NRE / FCNR / NRO account, where the Units were purchased on repatriation basis and the payment for the purchase of Units redeemed was made by inward remittance through normal banking channels or out of funds held in NRE / FCNR account.

In the case of FIIs, the designated branch of the authorized dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the Foreign Currency account or Non-resident Rupee account of the FII maintained in accordance with the approval granted to it by the RBI.

The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs / FIIs. The Fund may make other arrangements for effecting payment of redemption proceeds in future.

	<p>Effect of Redemption:</p> <p>The number of Units held by the Unit Holder in his/ her/ its folio will stand reduced by the number of Units Redeemed. Units once redeemed will be extinguished and will not be re-issued.</p> <p>The normal processing time may not be applicable in situations where details like bank name, bank account no. etc. are not provided by investors/ Unit holders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and/or any delay/ loss in transit.</p> <p>Redemption by investors transacting through the Stock Exchange mechanism.</p> <p>Investors who wish to transact through the stock exchange shall place orders for redemptions as currently practiced for secondary market activities. Investors must submit the Delivery Instruction Slip to their Depository Participant on the same day of submission of redemption request, within such stipulated time as may be specified by NSE/BSE, failing which the transaction will be rejected. Investors shall seek redemption requests in terms of number of Units only and not in Rupee amounts. Redemption amounts shall be paid by the AMC to the bank mandate registered with the Depository Participant.</p>
<p>Delay in payment of redemption/repurchase proceeds</p>	<p>Redemption request for Units held in demat mode shall not be accepted at the offices of the Mutual Fund/AMC/Registrar. Unit holders shall submit such request only through their respective Depository Participants.</p> <p>The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 Business days from the date of redemption or repurchase. The AMC shall be liable to pay interest to the Unit holders @ 15% p.a. or such other rate as may be prescribed by SEBI from time to time, in case the redemption / repurchase proceeds are not dispatched within 10 Business days from the date of receipt of the valid redemption/repurchase application, complete in all respects.</p> <p>However, the AMC shall not be liable to pay any interest or compensation in case of any delay in processing the redemption application beyond 10 Business Days, in case of any deficiency in the redemption application or if the AMC/RTA is required to obtain from the Investor/Unit holders any additional details for verification of identity or bank details or such additional information under applicable regulations or as may be requested by a Regulatory Agency or any government authority, which may result in delay in processing the application.</p>

C. PERIODIC DISCLOSURES

<p>Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of Your investments by multiplying the NAV with your unit balance.</p>	<p>The AMC will calculate and disclose the first NAV of the Scheme within 5 business days from the date of allotment. Subsequently, the AMC will calculate and disclose the NAVs on all the Business Days. The AMC shall update the NAVs on its website (www.yesamc.in) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 9.00 p.m. on every Business Day. Further, AMC will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV. Information regarding NAV can be obtained by the Unitholders / Investors by calling or visiting the nearest ISC.</p>
<p>Monthly and Half Yearly 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 advertisement.</p>	<p>Monthly Portfolio Disclosure The Mutual Fund shall disclose portfolio of the Scheme on the website www.yesamc.in along with ISIN on a monthly basis as on last day of each month, on or before tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time.</p> <p>In case of unitholders whose e-mail addresses are registered, the Mutual Fund/ AMC shall send via email the monthly statement of scheme portfolio within 10 days from the close of each month respectively.</p> <p>AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder</p> <p>Half yearly Portfolio Disclosure The fund shall disclose the scheme's portfolio in the prescribed format as on the last day of the Half year for all the Schemes of YES Mutual Fund on or before the tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time on the YES Mutual Fund Website i.e. www.yesamc.in and AMFI site www.amfiindia.com.</p> <p>In case of unitholders whose e-mail addresses are registered, the Mutual Fund/ AMC shall send via email the half-yearly statement of scheme portfolio within 10 days from the close of each half-year respectively.</p>

	AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.						
Half Yearly Results	The Mutual Fund shall within one month from the close of each half year (i.e. 31st March and 30th September), host a soft copy of its unaudited financial results on its website www.yesamc.in . and and AMFI site www.amfiindia.com The Mutual Fund shall also publish an advertisement disclosing the hosting of such financial results on its website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated. The unaudited financial results shall also be displayed on the website of AMFI.						
Annual Report	The schemewise Annual Report of a mutual fund or an abridged summary thereof shall be provided to all unitholders as soon as may be but not later than four months from the date of closure of the relevant accounts year in the manner specified by the SEBI. AMC will provide a physical copy of the abridged summary of the annual report, without charging any cost, on specific request received from a unitholder. Scheme wise annual report shall also be displayed on the Website of the AMC (www.yesamc.in) and Association of Mutual Funds in India (www.amfiindia.com).						
Associate Transactions	Please refer to Statement of Additional Information (SAI).						
Taxation This is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorized dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes	<p>YES Mutual Fund is a Mutual Fund registered with the Securities Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from the Income tax in accordance with the provisions of section 10(23D) of the Income Tax Act, 1961(the Act). The following summary outlines the key tax implications applicable to unit holders based on the relevant provisions under the Income-tax Act, 1961 ('Act') and the amendments made by the Finance Act, 2018</p> <p>I) Tax on distributed income to unit holders (u/s 115R): As per section 10(35) of the Act, income received in respect of the units of a Mutual Fund specified under section 10(23D) of the Act, is exempt in the hands of the unit holders. However, the Fund would be required to pay a distribution tax on income distributed at the following rates:</p> <table border="1" data-bbox="587 1680 1356 1792"> <thead> <tr> <th>Investors</th> <th>Tax Rates (*)</th> </tr> </thead> <tbody> <tr> <td>-Unit holder is individual/HUF</td> <td>25%</td> </tr> <tr> <td>-Unit holder is any other person</td> <td>30%</td> </tr> </tbody> </table> <p>For the purpose of determining the tax payable, the amount of distributed income shall be increased to such amount as would, after reduction of tax from such increased amount, be equal to the income distributed by the Mutual Fund. The impact of the same has not been reflected above.</p> <p>II) Income Tax Rates (*)</p>	Investors	Tax Rates (*)	-Unit holder is individual/HUF	25%	-Unit holder is any other person	30%
Investors	Tax Rates (*)						
-Unit holder is individual/HUF	25%						
-Unit holder is any other person	30%						

Category of Units	Residents	Non-resident other than FII	FII's																																	
Short Term Capital Gain (Period of Holding less than or equal to 36 months)																																				
Listed and Unlisted Units	Taxable at normal rates of tax applicable to the assessee Resident Companies : 25%\$/ 30%	In respect of non-resident non corporate, taxable at normal rates of tax applicable to the assessee. In respect of non-resident corporate : 40%	30% (u/s 115AD)																																	
Long Term Capital Gain (Period of Holding More than 36 months)																																				
Listed Units	20% with indexation (u/s 112)	20% with indexation (u/s 112)	10% (u/s 115AD)																																	
Unlisted Units	20% with indexation (u/s 112)	10% without indexation and no exchange fluctuation (u/s 112)	10% (u/s 115AD)																																	
<p>\$ For AY 2019-20, tax shall be levied at 25% if the total turnover or gross receipts for the Financial year 2016-17 does not exceed INR 250 lacs. * plus surcharge and cess as applicable</p> <p>III) Surcharge applicable as under:</p> <table border="1"> <thead> <tr> <th colspan="5">Rates of Surcharge</th> </tr> <tr> <th colspan="2" rowspan="2">Particulars</th> <th colspan="3">Taxable Income</th> </tr> <tr> <th>50 lacs to 1 crore</th> <th>1 crore to 10 crores</th> <th>Exceeding 10 crores</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Individuals/HUF</td> <td>10%</td> <td>15%</td> <td>15%</td> </tr> <tr> <td>2.</td> <td>Firm/ Local Authority/ Co-operative Society</td> <td>Nil</td> <td>12%</td> <td>12%</td> </tr> <tr> <td>3.</td> <td>Domestic Company</td> <td>Nil</td> <td>7%</td> <td>12%</td> </tr> <tr> <td>4.</td> <td>Foreign Company</td> <td>Nil</td> <td>2%</td> <td>5%</td> </tr> </tbody> </table> <p>Cess applicable as under:</p>				Rates of Surcharge					Particulars		Taxable Income			50 lacs to 1 crore	1 crore to 10 crores	Exceeding 10 crores	1.	Individuals/HUF	10%	15%	15%	2.	Firm/ Local Authority/ Co-operative Society	Nil	12%	12%	3.	Domestic Company	Nil	7%	12%	4.	Foreign Company	Nil	2%	5%
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	<p>As per Finance Act 2018, “Health and Education Cess” shall be levied at the rate of 4% of income tax including surcharge wherever applicable w.e.f. April 1, 2018.</p> <p>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to refer the section on taxation in Statement of Additional information (SAI) and consult his or her own tax advisors/ authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes. Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely.</p>
<p>Investor services</p>	<p>For any enquiries and/or queries or complaints in respect of any terms and conditions of/investments in this Scheme, the investors are advised to address a suitable communication to AMC and marked to the attention of Investor Relations Officer - Ms. Vasudha Shah at 022 - _____ and clientservice@yesamc.in. Written communications may also be forwarded to YES Asset Management (India) Limited, Unit 602B, 6th Floor, Indiabulls Finance Centre (IFC) 1&2, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013. Our Customer Service Executives can also be reached at the following</p> <p>Toll Free No. - 1800-***-****</p> <p>For any grievances with respect to transactions through BSE StAR and / or NSE “MFSS”, “NMFII platform, the investors / Unit Holders should approach either the stock broker or the investor grievance cell of the respective stock exchange.</p>

D. COMPUTATION OF NAV

The Net Asset Value (NAV) per unit of the Scheme for each option will be computed by dividing the net assets of the Scheme by the number of units outstanding on the valuation day. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

The NAV of the Units under the Scheme will be calculated on a daily basis as shown below:

$$\text{NAV per unit (Rs.)} = \frac{\text{Market / Fair Value of Scheme's Investments} + \text{Current Assets including Accrued Income} - \text{Current Liabilities and Provisions}}{\text{No. of units outstanding under the Scheme / Option on the valuation day}}$$

No. of units outstanding under the Scheme
/ Option on the valuation day

Example: If the applicable NAV is Rs. 10.00, sales/entry load is 2 per cent and the exit/repurchase load is 2 percent then the sales price will be Rs. 10.20 and the repurchase price will be Rs. 9.80.

The NAV shall be calculated up to four decimal places. However the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate. Separate NAV will be calculated and disclosed for each Plan/Option. The NAVs of the Growth Option and the Dividend Option will be different after the declaration of the first Dividend. The AMC will calculate and disclose the NAV of the Scheme on all the Business Days.

IV. FEES AND EXPENSES

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

A. NEW FUND OFFER (NFO) EXPENSES

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

In accordance with the provisions of SEBI Circular no. SEBI/ IMD/CIR No. 1/64057/06 dated April 04, 2006 and SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, the NFO expenses shall be borne by the AMC/Sponsor.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below. Further, as per SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018, all scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits.

The AMC has estimated that following % of the daily net assets of the scheme will be charged to the scheme as expenses. The AMC would update the current expense ratios on the website of the mutual fund at least three working days prior to the effective date of the change. Further Actual Expense ratio will be disclosed at the following link _____.

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.25%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
Goods & Service tax on expenses other than investment and advisory fees	
Goods & Service tax on brokerage and transaction cost	
Other Expenses #	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	Upto 2.25%
Additional expenses under regulation 52 (6A) (c)*	Upto 0.05%

Additional expenses for gross new inflows from specified cities	Upto 0.30%
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Any other expenses which are directly attributable to the Scheme, may be charged with the approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

*Pursuant to SEBI Circular No. SEBI /HO/IMD/DF2/CIR/P/2018/15 dated February 02, 2018, additional expenses under regulation 52 (6A) (c) shall not be levied if the scheme doesn't have exit load. However, the Scheme / AMC adheres the expense structure as per SEBI regulation issued from time to time.

The AMC has estimated that upto 2.25% (plus allowed under regulation 52(6A)(c)) of the daily net asset will be charged to the scheme as expenses. The maximum annual recurring expenses that can be charged to the Scheme, excluding issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but including the investment management and advisory fee shall be within the limits stated in Regulations 52 read with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012. The AMC may charge the investment and advisory fees within the limits of total expenses prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulation.

Illustration - Impact of Expense Ratio on the Returns	
Value of Rs 1 lac on 12% annual returns in 1 year, considering 1% Expense Ratio	
Amount Invested	100,000.00
NAV at the time of Investment	10.00
No of Units	10,000.00
Gross NAV at end of 1 year (assuming 12% annual return)	11.20
Expenses (assuming 1% Expense Ratio on average of opening and closing NAV)	0.11
Actual NAV at end of 1 year post expenses (assuming Expense Ratio as above)	11.09
Value of Investment at end of 1 year (Before Expenses)	112,000.00
Value of Investment at end of 1 year (After Expenses)	110,940.00

Note: Please note that the above is an approximate illustration of the impact of expense ratio on the returns, where the Gross NAV has been simply reduced to the extent of the expenses. In reality, the actual impact would vary depending on the path of returns over the period of consideration. Expenses will be charged on daily net assets.

These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se or in total subject to prevailing Regulations. The AMC may incur actual expenses which may be more or less than those estimated above under any head and/or in total. Type of expenses charged shall be as per the SEBI Regulations.

Fungibility of expenses: The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations are fungible in nature. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4)

respectively. Further, the additional expenses under Regulation 52(6A)(c) may be incurred either towards investment & advisory fees and/or towards other expense heads as stated above.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

Also in terms of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018 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.

The trusteeship fees shall be subject to a maximum of 0.50% per annum of the daily Net Assets of the schemes of the Mutual Fund. The Trustee is also entitled to the reimbursement of all costs, charges and expenses incurred in or for the effective discharge of its obligations and responsibilities towards the trust. The reimbursements would always be to the extent permitted under the Mutual Fund Regulations.

Goods & Service Tax on expenses other than the investment management and advisory fees, if any, shall be charged to the Scheme within the maximum limit of total expense ratio as prescribed under regulation 52 of the SEBI (MF) Regulations. Goods & Service Tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under regulation 52 of the SEBI (MF) Regulations.

In terms of SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of recurring expenses as per Regulation 52 for investor education and awareness initiatives.

The total expenses of the Scheme including the investment management and advisory fee shall not exceed the limits stated in Regulation 52(6) which are as follows:

- (i) On the first Rs. 100 crore of the daily net assets - 2.25%;
- (ii) On the next Rs. 300 crore of the daily net assets - 2.00%;
- (iii) On the next Rs. 300 crore of the daily net assets - 1.75%;
- (iv) On the balance of the assets - 1.50%;

In addition to the limits specified in regulation 52(6), the following costs or expenses may be charged to the Scheme as per regulation 52 (6A), namely-

- (a) Brokerage and Transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12 per cent of the value of trades in case of cash market transactions and 0.05 per cent of the value of trades in case of derivatives transactions.
- (b) Expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI/AMFI from time to time are at least –
 - (i) 30 per cent of gross new inflows in the Scheme, or;
 - (ii) 15 per cent of the average assets under management (year to date) of the Scheme, whichever is higher:

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

Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities, subject to conditions prescribed in SEBI Circular SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018 and as specified by SEBI from time to time.

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

- (c) Additional expenses, incurred towards different heads mentioned under regulations 52(2) and 52(4), not exceeding 0.05 per cent of daily net assets of the scheme.

Further, Goods & Service Tax on investment management and advisory fees shall be charged to the Scheme, in addition to the above expenses, as prescribed under the SEBI (MF) Regulations.

The recurring expenses incurred in excess of the limits specified by SEBI (MF) Regulations will be borne by the AMC or the Sponsor.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This amount is used by the AMC to pay commission to the distributors and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.yesamc.in) or may call at _____ or your distributor.

Load Structure	Applicable Load Structure #
Entry Load	Not Applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor.
Exit Load (as a % of Applicable NAV)	Nil

#Applicable for normal subscriptions / redemptions including transactions under special products such as SWP, etc. offered by the AMC.

#There shall be no load on issue of units allotted on reinvestment of dividend.

#Goods & Service Tax (GST) on exit load, if any, shall be paid out of the exit load proceeds. The entire exit load (net of (GST), charged, if any, shall be credited to the Scheme.

Exit Load for switches within the Scheme:-

- a) Where the investments were routed through a distributor (i.e. made with distributor code), any Switch of Units from the Regular Plan to Direct Plan of a Scheme shall be subject to applicable

exit load, if any. However, any subsequent switch - out or redemption of such investments from the Direct Plan will not be subject to any exit load;

(b) Where investments were made directly i.e. without any distributor code, exit load will not be levied on switch of Units from Regular Plan to Direct Plan of that Scheme. However, any subsequent switch-out or redemption will be subject to exit load applicable from the original date of investment;

(c) No exit load shall be levied in case of switch of Units from Direct Plan to Regular Plan of a Scheme. However, any subsequent switch-out or redemption of such investment from the Regular Plan shall be subject to exit load based on the original date of investment in the Direct Plan.

The AMC/Trustee reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations. However, the Redemption Price will not be lower than 93% of the NAV or as permitted / prescribed under the SEBI Regulations from time to time. Similarly, the difference between the Subscription Price and the Redemption Price shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Subscription Price.

Any imposition or enhancement of Load in future shall be applicable on prospective investments only.

At the time of changing the Load Structure:

1. An Addendum detailing the changes will be attached to Scheme Information Document (s) and Key Information Memorandum. The addendum may be circulated to all the distributors / brokers so that the same can be attached to all Scheme Information Documents and Key Information Memoranda already in stock.
2. The addendum will be displayed on the website of the AMC and arrangements will be made to display the addendum in the form of a notice in all the Investor Service Centres and distributors / brokers office.
3. The introduction of the Exit Load along with the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such Load.
4. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
5. Any other measure which the Mutual Fund may consider necessary.

The investors / unitholders are requested to check the prevailing load structure of the Scheme before investing. For the current applicable exit load structure, please refer to the Scheme Information Document and its addendum thereof available on the website of the AMC (www.yesamc.in) or may call at 1800- _____ (toll free no.) or distributor.

D. WAIVER OF LOAD FOR DIRECT TRANSACTIONS

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, no entry load shall be charged for all the mutual fund schemes. Therefore the procedure for the waiver of load for direct application is no longer applicable.

E. TRANSACTION CHARGES

In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, the AMC/ Fund shall deduct a Transaction Charge on per purchase /subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. The distributors shall have an option to either “Opt-in / Opt-out” from levying transaction charge based on the type of product. Therefore, the “Opt-in / Opt-out” status shall be at distributor level, basis the product selected by the distributor.

Transaction charges shall be deducted for Applications for purchase/ subscription received through distributor/ agent as under (only if that distributor / agent has opted to receive the transaction charges):

Investor Type	Transaction Charges
New Investor (First Time Mutual Fund Investor)	Transaction charge of Rs.150/- for per purchase / subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested.
Existing Investor	Transaction charge of Rs.100/- for per purchase / subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested.

The transaction charges and the net investment amount and the number of units allotted will be clearly mentioned the Account Statement issued by the Mutual Fund.

Transaction charges shall not be deducted if:

- a. The amount per purchases /subscriptions is less than Rs. 10,000/-;
- b. The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch/STP/ DTP, etc.
- c. Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/agent).
- d. Subscription made through Exchange Platform irrespective of investment amount.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details

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

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

<p>All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated.</p> <p>Further, only top 10 monetary penalties during the last three years shall be disclosed</p>	<p>Not Applicable</p>
<p>In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.</p>	<p><u>FINANCIAL YEAR 2017 - 2018</u></p> <ol style="list-style-type: none"> 1. RBI had imposed a penalty of Rs. 6 crore on the YES Bank for non-compliance with the directions issued by RBI on Income Recognition Asset Classification (IRAC) norms and delayed reporting of information security incident involving ATMs of the Bank. 2. RBI had imposed penalty of Rs. 66,000/- on the YES Bank on account of forged/Counterfeit/Mutilated notes detected during the processing of Soiled Notes Remittances by Bank's Currency Chest and Branches to RBI during the Financial Year 2017-2018. 3. YES Bank had received a Show Cause Notice dated June 16, 2017 issued by SEBI in respect of the deferred fund raising activity in September 2016. The Bank filed an application under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 ("Settlement Regulations") with SEBI on August 18, 2017 to settle the proceedings initiated via the abovementioned Show Cause Notice. The settlement

	<p>application had been considered by the SEBI and the adjudication proceeding have been settled at the settlement charge of Rs. 40,80,000/- paid by the Bank. SEBI vide its Settlement Order dated June 29, 2018 had accordingly has disposed of the adjudication proceedings initiated against the Bank vide the aforementioned Show Cause Notice dated June 16, 2017 in terms of the Settlement Regulations.</p> <p><u>FINANCIAL YEAR 2016 - 2017 AND 2015 - 2016</u></p> <p>Nil</p>
<p>Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.</p>	<p>Nil</p>
<p>Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately</p>	<p>Nil</p>
<p>Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been</p>	<p>Nil</p>

notified by any other regulatory agency, shall be disclosed	
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The Scheme under this Scheme Information Document was approved by the Board of Directors of YES Trustee Limited (Trustee to YES Mutual Fund) on October 23, 2018. The Trustee has ensured that the Scheme is a new product offered by YES Mutual Fund and is not a minor modification of its existing schemes.

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

**For and on behalf of
YES Asset Management Company (India) Limited
Sd/-**

**Nirav Dalal
Chief Executive Officer
Date: October 23, 2018**

LIST OF COLLECTION CENTRES (DURING NFO) AND INVESTOR SERVICE CENTRES / OFFICIAL POINTS OF ACCEPTANCE FOR YES MUTUAL FUND (DURING NFO PERIOD AND POST NFO PERIOD) WILL BE PROVIDED IN THE SID ISSUED AT THE TIME OF LAUNCH OF NEW FUND OFFER.