Scheme Information Document (SID)

NJ BALANCED ADVANTAGE FUND

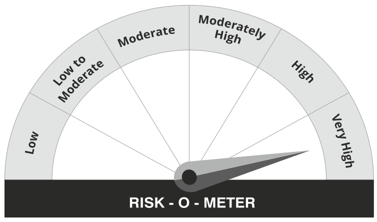
An open-ended Dynamic Asset Allocation Fund

This product is suitable for investors who are seeking*:

- Long term capital growth
- Dynamic asset allocation between equity and specified debt securities.

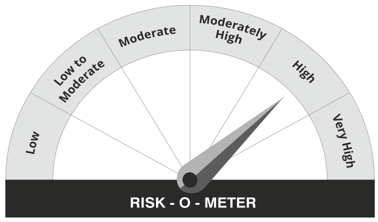
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Scheme Riskometer



Investor understand that their principal will be at **Very High Risk**

Benchmark Riskometer



NIFTY 50 Hybrid Composite Debt 50:50 Index: **High Risk**

NAME OF THE MUTUAL FUND

NJ Mutual Fund
Unit No. 101 A, 1st Floor, Hallmark Business Plaza, Bandra (East), Mumbai - 400051, Maharashtra.
Phone: 022 - 68940000
Website: www.njmutualfund.com

NAME OF THE ASSET MANAGEMENT COMPANY

NJ Asset Management Private Limited
CIN-U67100GJ2005PTC046959

Registered Office:

Block No. 601, 3rd Floor, C Tower, Udhna Udyognagar Sangh Commercial Complex, Central Road No.10, Udhna , Surat - 394210, Gujarat

Corporate Office:

Unit No. 101A, 1st Floor, Hallmark Business Plaza , Bandra (East), Mumbai - 400051, Maharashtra.
Phone: 022 - 68940000
Website: www.njmutualfund.com

NAME OF THE TRUSTEE COMPANY

NJ Trustee Private Limited
CIN- U65929MH2020PTC343074
Unit No. 101 A, 1st Floor, Hallmark Business Plaza, Bandra (East), Mumbai - 400051, Maharashtra.
Phone: 022 - 68940000

Offer of units of Rs. 10/- each for cash (subject to applicable load) during the New Fund Offer and continuous offer for Units at NAV based prices.

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

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

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

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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 www.njmutualfund.com

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

This Scheme Information Document is dated **November 30, 2024**

Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

	Title	**Description**
I.	**Name of the scheme**	NJ Balanced Advantage Fund
II.	**Category of the Scheme**	Dynamic asset allocation
III.	**Scheme type**	An open ended dynamic asset allocation fund
IV.	**Scheme code**	NJMF/O/H/BAF/21/08/0001
V.	**Investment objective**	The investment objective of the Scheme is to generate capital appreciation by dynamically allocating its assets between equity and specified debt securities. However, There is no assurance that the investment objective of the Scheme will be achieved.
VI.	**Liquidity**	The Scheme is open for Subscription / Switch-in and Redemption / Switch-out of Units on every Business Day on an ongoing basis at NAV based prices, subject to applicable exit load, if any. The Mutual Fund will, not later than 5 Business Days from the date of allotment, commence redemption of Units of the Scheme, on an on– going basis. As per SEBI (MF) Regulations 1996, the Mutual Fund shall dispatch redemption proceeds within 3 working days of receiving a valid Redemption request. The AMC reserves the right to reject further subscription / application for units of the schemes on an on-going basis, depending on the prevailing market conditions and to protect the interest of the investors. Such change will be notified to the investors by display of notice at various investor service centres of AMC and its website. The prevailing SEBI Regulations in the matter shall be complied with from time to time.
VII.	**Benchmark (Total Return Index)**	Tier I Benchmark: NIFTY 50 Hybrid Composite Debt 50:50 Index **Justification of Benchmark:** The Board adopted Benchmarks for comparing the performance of the Scheme as NIFTY 50 Hybrid Composite Debt 50:50 Index. Since the composition of the Index is most suited for comparing performance of the Scheme. It will also enable the investors to arrive at a more informed judgment on scheme performances.

		<u>Second Tier Benchmark:</u> NIFTY 50 TRI The AMC/Trustee reserves the right to change the benchmark for evaluation of the performance of the Scheme from time to time, subject to SEBI Regulations and other prevailing guidelines, if any.
VIII.	**NAV disclosure**	The NAV will be calculated and disclosed for every Business Day. The NAVs of the Scheme will be calculated up to two decimals. AMC shall update the NAV on the AMFI website (www. amfiindia.com) and on the website of the Mutual Fund <u>www.njmutualfund.com</u> by 11.00 pm on the day of declaration of the NAV. Further Details in Section II.
IX.	**Applicable timelines**	**Timeline for:** **Dispatch of redemption proceeds** As per SEBI (MF) Regulations 1996, the Mutual Fund shall dispatch the redemption proceeds within the maximum period allowed, which is currently 3 working days from the date of receipt of a valid redemption request at the Designated Investor Service Centers. The AMC may use modes of dispatch such as speed post, courier etc. for payments in addition to the registered post with acknowledgement due. **Dispatch of IDCW (if applicable) etc.:** The IDCW warrants/cheque/demand draft shall be dispatched to the Unit Holders within 7 working days from the record date. Interest for the period of delay in transfer of redemption or repurchase or dividend shall be payable to unitholders at the rate of 15% per annum along with the proceeds of redemption or repurchase or dividend, as the case may be. Such Interest shall be borne by AMCs.

X.	**Plans and Options** Plans/Options and sub options under the Scheme	**Plans:** (see below)

Plans:

1. Regular Plan
2. Direct Plan

Option under each Plan(s)

1. Growth Option and
2. Payout of Income Distribution cum Capital withdrawal Option* (IDCW)

*Amounts can be distributed under the IDCW option out of investors capital (equalization reserve), which is part of the sale price that represents realized gains. However, investors are requested to note that the distribution of the amount under the IDCW option is not guaranteed and subject to the availability of distributable surplus.

Default Option: Growth.
In case of valid application received without indicating choice between options under the scheme.

Default Plan: Investors are requested to note the following scenarios for the applicability of “Direct Plan or Regular Plan” for valid applications received under the Scheme:

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

For detailed disclosure on default plans and options, kindly refer SAI.

XI.	**Load Structure**	**Entry Load:** Not Applicable **Exit Load** : 1. NIL Exit load – for 5% of the units upto completion of 30 days ● The "First In First Out (FIFO)" logic will be applied while selecting the units for redemption. ● Waiver of Exit load is calculated for each inflow transaction separately on FIFO basis and not on the total units through multiple inflows. ● The load free units from purchases made subsequent to the initial purchase will be available only after redeeming all units from the initial purchase. 2. All units redeemed /switched-out in excess of the 5% load free units will be subject to the below mentioned exit load. ● 1.00% - if Units are redeemed/switched-out on or before 30 days from the date of allotment ● Nil - if redeemed after 30 days from the date of allotment. Further, the Trustees shall have a right to modify the load structure with prospective effect subject to a maximum prescribed under the Regulations. For any change in load structure NJ Asset Management Private Limited will issue an addendum and display it on the website/Investor Service Centres.
XII.	**Minimum Application Amount/switch in**	Rs. 500/- and in multiples of Re. 1/- thereof.
XIII.	**Minimum Additional Purchase Amount**	Rs. 500/- and in multiples of Re. 1/- thereof.
XIV.	**Minimum Redemption/switch out amount**	There will be no minimum redemption criterion.
XV.	**New Fund Offer Period:** This is the period during which a new scheme sells its units to the investors.	Not Applicable, since the scheme is an ongoing scheme.
XVI.	**New Fund Offer Price:** This is the price per unit that the investors have to pay to invest during the NFO.	Not Applicable, since the scheme is an ongoing scheme.
XVII.	**Segregated portfolio/side pocketing disclosure**	Yes, the Scheme has provision for segregated portfolio. For details please refer to SAI.
XVIII.	**Swing pricing disclosure**	The Scheme does not have provisions for swing pricing.

XIX.	**Stock lending/short selling**	The scheme may engage in stock lending / short selling subject to percentage as specified in asset allocation. For details, kindly refer SAI.
XX.	**How to Apply and other details**	Investors can undertake transactions in the Schemes of NJ Mutual Fund either through physical or electronic mode as mentioned below or any other mode as may be prescribed from time to time. These modes offered shall be treated as Official Point of Acceptance (OPA) for all financial and non-financial transactions in the schemes of NJ Mutual Fund. **Physical Transactions:** For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. www.njmutualfund.com **Online / Electronic Transactions:** Investors can undertake transactions via electronic mode including through the various online facilities offered by NJAMC from time to time. **Designation of MFCentral as Official Point of Acceptance:** Pursuant to SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 on Registrar & Transfer Agents (RTA) inter-operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests, the Qualified RTAs, KFin Technologies Limited (KFintech) and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral– A digital platform for Mutual Fund investors (the Platform). MFCentral is created with an intent to be a one stop portal/ mobile app for all Mutual fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / physical services to Mutual fund investors across the fund houses subject to applicable Terms & Conditions of the Platform. MFCentral will be enabling various features and services in a phased manner. Presently, the investors can submit non-financial transactions through the said Platform. MFCentral can be accessed using https://mfcentral.com at present and through a Mobile App in future.With a view to comply with all provisions of the aforesaid circular and to increase digital penetration of Mutual Funds, NJ Mutual Fund hereby designates MFCentral as an Official Point of Acceptance for its Scheme. Any registered user of MFCentral, requiring submission of physical documents as per the requirement of MFCentral, may do so at any of the designated Investor Service Centres or Collection Centres of KFintech or CAMS.

		For details kindly refer to Section II of this document.
XXI.	**Where can applications for subscription / redemption / switches be submitted**	The unitholder should submit the transaction slip for a purchase / redemption/switch at any of the Designated Investor Service Centres of RTA or AMC branches designated as ISCs. Alternatively, investors may also submit through online mode. **Details provided in Section II.**
XXII.	**Investor services**	**Contact details for general service requests:** Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, Valuation, Dividends, etc by calling the investor line of the AMC at 18605002888 or email at customercare@njmutualfund.com. The service representatives may require personal information of the investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavor to handle transactions efficiently and to resolve any investor grievances promptly. **Contact details for complaint resolution:** Any complaints should be addressed to Mr. Raja Ballapuram, who has been appointed as the Investor Relations Officer and can be contacted at: Unit No. 101A, 1st Floor, Hallmark Business Plaza, Bandra (East), Mumbai - 400051, Maharashtra. Phone No. : 18605002888 email: customercare@njmutualfund.com Further, Investors can register their complaint by registering themselves on http://www.scores.gov.in/ by clicking on “Register here” under “Investor Corner” appearing on the homepage of SCORES portal. While filing the registration form, details like Name of the investor, Permanent Account Number (PAN), contact details, email id, are required to be provided for effective communication and speedy redressal of the grievances. Upon successful registration, a unique user id and a password shall be generated and communicated through an acknowledgement email to the complainant. Investors can also register their complaint through Online Dispute Resolution mechanism or other appropriate civil remedies. However, if the complainant opts for Online Dispute Resolution mechanism or other appropriate civil remedies while the complaint is pending on SCORES, the complaint shall be treated as disposed on SCORES. (Refer SEBI Circular - SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023). The provision is effective from April 1, 2024 (Refer SEBI Circular - SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated December 01, 2023).

<table>
<tr>
<td>XXIII.</td>
<td>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>XXIV.</td>
<td>Special product/facility available—on ongoing basis</td>
<td>
A. SYSTEMATIC INVESTMENT PLAN (SIP) :
Investors are given an additional facility of Systematic Investment Plan (SIP) in the Scheme. Thus, by investing a fixed amount at regular intervals, Unit holders can take advantage of the benefits of rupee cost averaging. Such a facility will be treated as a subscription along with the Applicable NAV/load, if any. For each SIP installment, the closing NAV of such Business Day on which the funds are available for utilisation shall be applicable. Investment can be made by the investor under SIP in either IDCW / Growth Option provided the following conditions are met:

<table>
<tr><th>Frequency</th><th>Minimum Investment Amount</th><th>Minimum Installment</th><th>Date</th></tr>
<tr><td>Monthly</td><td>Rs. 100/- and in multiple of Re. 1/-</td><td>6</td><td>any day between 1 to 28</td></tr>
</table>

SIP Top- Up Facility:
It is a facility wherein an investor who is enrolling for SIP has an option to increase the amount of the SIP installment by a fixed amount at pre-defined intervals. Thus, an investor can progressively start increasing the amount invested, allowing them to gradually increase the investment corpus in a systematic manner. The minimum SIP Top-up amount is Rs. 100 and in multiples of Rs. 1/- .

SIP Pause / SIP Cancellation facility:
Under this facility, an investor has an option to stop his SIP temporarily (at a folio level) for a specified number of installments. Instructions for ‘Pause’ can be given by filling up ‘NJ Mutual Fund - SIP Pause / SIP Cancel Form’. SIP would re-start automatically after completion of the Pause period specified by the investor.

Corporate Systematic Investment Plan (C-SIP)

Corporate Systematic Investment Plan (C-SIP) facility is available under all the open ended schemes of NJ Mutual Fund. C- SIP is a facility developed for companies to enable their employees to start SIP Investments in the open ended schemes of NJ Mutual Fund.
</td>
</tr>
</table>

Under this facility, a specific amount is invested into the open ended scheme of NJ Mutual Fund, by the employer on behalf of their employees. Existing SIP criteria of the respective scheme will remain the same for C-SIP facility. For a list of eligible schemes and terms and conditions, please refer to the website of NJ Mutual Fund. All other terms and conditions as mentioned in the Statement of Additional Information and Key Information Memorandum will remain unchanged.

B. SYSTEMATIC WITHDRAWAL PLAN (SWP):

This facility enables the Unit holders to withdraw fixed sum from their Unit accounts at periodic intervals through a one- time request. The amount withdrawn under SWP will be considered as redemption with Applicable NAV/Load. To qualify for SWP, the Units should not be marked under Lien or Units should not be locked in nor pledged. The Unitholder may avail of this plan by sending a written request to the Registrar and Transfer Agent. This facility is available in the growth and IDCW option.

Frequency	Minimum Investment Amount	Minimum Installment	Date*
Monthly	Rs.500/- and in multiple of Re. 1/-	6	1, 5, 12, and 20 of each month

*Next business day if the date falls on a non-business day.

C. SYSTEMATIC TRANSFER PLAN (STP):

This facility enables the unit holder to transfer fixed sum periodically from the source Scheme to the target Scheme by redeeming Units of source Scheme at Applicable NAV, subject to exit load, if any; and reinvesting the same amount in target Scheme at Applicable NAV. (The minimum amount criteria in the target Scheme should however be fulfilled unless specified otherwise) STP will be automatically terminated if all Units are liquidated or withdrawn from the source Scheme or pledged or upon receipt of intimation of death of the Unit holder. Further, STP would not be applicable in case of insufficient balance under the source Scheme. To qualify for STP, the following conditions should be met with:

Frequency	Minimum Investment Amount	Minimum Installment	Date
Monthly	Rs. 500/- and in multiple of Re. 1/- thereafter	6	any day between 1 to 28

		For further details of above special products/facilities, kindly refer to SAI.
XXV.	**Weblink**	**TER for last 6 months / Daily TER:** https://downloads.njmutualfund.com/njmf_download.php?nme=564 **Scheme Factsheet:** https://downloads.njmutualfund.com/downloads.php

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

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

Date: November 30, 2024
Place: Mumbai

Name: Punam Upadhyay
Designation: Chief Compliance Officer and Company Secretary

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

This includes an asset allocation table giving the broad classification of assets and indicative exposure level in percentage terms under normal circumstances:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity and Equity related instruments including derivatives	0	100
Specified Debt Securities*	0	100

* TREPS (or any similar instrument), Government Repo / Reverse Repo (in Government Securities), Treasury bills, Government securities (Issued by both Central and State governments) and any other like instruments as specified by the Reserve Bank of India from time to time and approved by SEBI from time to time.

- The scheme may also invest in derivatives instruments to the extent of 50% of the net asset of the Scheme. The Scheme will not have a leveraged position in derivatives.

- The Scheme will not invest in foreign securities, securitised debt and equity linked debentures.

- The scheme will not invest in debt instruments with special features as referred to in SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021, debt instruments having credit enhancements or structured obligations.

- The Scheme shall not lend securities amounting to more than 20% of the net assets of the Scheme and not more than 5% of the net assets of the Scheme will be deployed in Stock lending to any single intermediary. The Scheme will enter into securities lending in accordance with the framework specified by SEBI in this regard. The Scheme may enter into short selling transactions in accordance with the framework relating to short selling specified by SEBI. The Scheme may also participate in repo of the money market.

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

- Pending deployment of funds of the Scheme, the AMC may invest funds of the Scheme in short-term deposits of scheduled commercial banks, subject to the following conditions issued by SEBI vide its Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024:

1. The term 'short term' for parking of funds shall be treated as a period not exceeding 91 days.
2. Such deposits shall be held in the name of the Scheme.

3. The Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
4. The Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
5. The Trustee shall ensure that the funds of the Scheme are not parked in the short term deposits of a bank which has invested in that Scheme.
6. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
7. The Trustee shall also ensure that the bank in which a scheme has short term deposits does not invest in the scheme until the scheme has short term deposits with such bank.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative markets.

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

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1	Equity Derivatives	The scheme may also invest in derivatives instruments to the extent of 50% of the net asset of the Scheme.	Clause 7.5 & 12.25 of SEBI Master Circular for Mutual Funds dated June 27, 2024
2	Securities Lending	20%	Clause 12.11 of SEBI Master Circular for Mutual Funds dated June 27, 2024
3	Short-term deposits of scheduled commercial banks,	The Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee.	Clause 12.16 of SEBI Master Circular for Mutual Funds dated June 27, 2024
4	Units of Mutual Funds	5% of net asset value of NJ Mutual Fund.	Clause 4 of the Seventh Schedule of the SEBI (Mutual Funds) Regulations, 1996
5	Any other instrument	Nil	-

The scheme shall not invest in below securities/instruments:

Sr. No.	Type of Instrument
1	Debt Instruments other than TREPS (or any similar instrument), Government Repo / Reverse Repo (in Government Securities), Treasury bills, Government securities (Issued by both Central and State governments) and any other like instruments as specified by the Reserve Bank of India from time to time and approved by SEBI from time to time.
2	Foreign Securities
3	Equity linked debentures
4	Debt instruments having Credit Enhancement / Structured Obligations
5	Securitised debt

Portfolio Rebalancing:

The Scheme shall rebalance the portfolio in case of any deviation to the asset allocation. Such rebalancing shall be done within thirty (30) business days from the date of occurrence of deviation. Where the portfolio is not rebalanced within thirty (30) business days, justification for the same shall be recorded in writing, including details of efforts taken to rebalance the portfolio and shall be placed before the Investment Committee. The Investment committee shall then decide on the course of action. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of the mandated rebalancing period.

However, at all times the portfolio will adhere to the overall investment objectives of the Schemes.

In case the portfolio of schemes is not rebalanced within the aforementioned mandated plus extended timelines, AMC will:

i. not launch any new scheme till the time the portfolio is rebalanced.
ii. not levy exit load, if any, on the investors exiting the scheme

Reporting and Disclosure Requirements:

i. AMC shall report the deviation to Trustees at each stage.

ii. In case the AUM of deviated portfolio is more than 10% of the AUM of main portfolio of scheme:
1. AMC will immediately disclose the same to the investors through SMS and email / letter including details of portfolio not rebalanced.
2. AMC will immediately communicate to investors through SMS and email / letter when the portfolio is rebalanced.
3. Subject line of the aforementioned emails / letters should clearly indicate “breach of” / “deviation” from mandated asset allocation.

iii. AMCs shall disclose any deviation from the mandated asset allocation to investors along with periodic portfolio disclosures as specified by SEBI from the date of lapse of mandated plus extended rebalancing timelines.

The above mentioned norms for rebalancing shall be applicable to main portfolio only and not to segregated portfolio(s), if any.

Any alteration in the investment pattern will be for a short term on defensive considerations; the intention being at all times to protect the interests of the Unit Holders. Please note that such alteration in the investment pattern will be rebalanced within the timeline mentioned above.

It may be noted that no prior intimation/indication will be given to investors when the composition/asset allocation pattern under the Scheme undergoes changes within the permitted band as indicated above.

B. WHERE WILL THE SCHEME INVEST?

Subject to the Regulations and the disclosure as made under the section "How the Scheme will allocate its assets":

1. Equity related instruments include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and such other instrument as may be specified by the Board from time to time;
2. Equity Derivatives, which are financial instruments, generally traded on the stock exchange, the price of which is directly dependent upon (i.e., "derived from") the value of equity shares or equity indices. Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property .
3. TREPS, Repo / Reverse (in Government securities), Treasury bills, cash and cash equivalents.
4. Government securities issued by (central and state governments) and other securities issued by RBI from time to time.
5. Units of Mutual funds including ETFs as may be permitted by SEBI regulation.
6. Pending deployment of the Scheme shall be invested in short -term Deposit as per SEBI circular issued in this regard from time to time.
7. Any other like instruments (as mentioned in point 3 and 4 above) may be permitted by RBI/SEBI/such other Regulatory Authority(ies) from time to time.

The securities mentioned above", could be listed, unlisted, privately placed, secured, unsecured, rated or unrated (subject to the rating or equivalency requirements discussed above) and of any maturity. The securities may be acquired through secondary market operations, primary issues/offerings, other public offers, Private Placement and negotiated deals amongst other mechanisms.

C. WHAT ARE THE INVESTMENT STRATEGIES?

The investment objective of the Scheme is to generate capital appreciation by dynamically allocating its assets between equity and specified debt securities. The scheme allocates its assets and selects securities using a rule based active approach based on proprietary protocols. These protocols are derived based on analysis of various market, macroeconomic and fundamental factors described below.

Allocation to equity stocks is decided on the basis of market and macroeconomic variables including equity market valuation, interest rates, Gsec yields and money supply.

Equity stocks are selected and weighted using factor-based rules that aim to achieve a mix of attributes considered supportive of long term performance within risk constraints. A factor can be thought of as any attribute that is important in explaining the risk and / or return of a security. Portfolios can be created on the basis of a single factor or a combination of two or more factors. The latter approach may assist in portfolio diversification and/or as a risk control mechanism.

The rule based active investment strategy eliminates all human intervention at the asset allocation and stock selection stage, preventing human bias and ensuring that the portfolio is constructed as intended by the proprietary protocol.

While factor definitions and the parameters used to capture them can vary, four factors have been identified by academics and widely adopted by investors over the years as key determinants of a portfolio.

Low Volatility : Low-volatility investing identifies stocks that display a lower level of risk than the overall market. Low-volatility equities often lag when the market is rising, but may outperform when the market is falling. Although Low Volatility doesn’t generally drive excess returns, it can help smooth out returns.

Momentum : Momentum investing presumes that if stocks have performed well in the recent past, they probably will continue outperforming the market for a short period in the future. Investors have a natural desire not to miss out on what they see as a good thing, and our tendency to move as a “herd” fuels the momentum. Momentum may also occur because investors can either overreact or underreact to new information.

Quality : Quality focuses on identifying companies that are believed to have a greater ability to deliver sustainable returns to shareholders. These companies are typically characterized by high profitability, low leverage and low earnings volatility. As well, high quality companies are more likely to hold their value in a market downturn, meaning they will have less ground to make up when the markets recover. Investors tend to favour stocks that have greater potential short-term upside, often ignoring the risk that these same high-leverage stocks can have greater potential short-term downside as well.

Value : Value investing focuses on companies whose stock is selling at a market price below the “intrinsic” value. Since most stock prices eventually return to their long-term average, a tendency known as “mean reversion”, investors who have the patience or time horizon to identify stocks that are trading below their intrinsic value, and then hold on to them until they revert to their fair price, tend to be rewarded.

As markets evolve and data availability as well as academic research becomes more sophisticated, the AMC may choose to opt for more or fewer factors/variables and accordingly add or modify the rules therein.

Disclosure for derivatives to be provided in summary form. For detailed derivative strategies, please refer to SAI.

PORTFOLIO TURNOVER

Portfolio turnover is defined as the lower of purchases and sales after reducing all subscriptions and redemptions and derivative transactions there from and calculated as a percentage of the average assets under management of the Scheme during a specified period of time.

The AMC's portfolio management style is conducive to a low portfolio turnover rate. However, the AMC will take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets. The AMC will endeavour to balance the increased cost on account of higher portfolio turnover with the benefits derived there from.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Board adopted Benchmarks for comparing the performance of the Scheme as NIFTY 50 Hybrid Composite Debt 50:50 Index. Since the composition of the Index is most suited for comparing performance of the Scheme. It will also enable the investors to arrive at a more informed judgement on scheme performances.

E. WHO MANAGES THE SCHEME?

Name, Age and Educational Qualification	**Experience of the Fund Manager (last 10 years)**	**Name of the schemes under management**
Mr. Viral Shah Age: 45 years Educational Qualifications: B.E., MBA (Finance)	i. Managing the scheme since: October 20, 2022 ii. Last 10 year experience - NJ Asset Management Private Limited (From September 2009 to till date)	NJ Overnight Fund, NJ ELSS Tax Saver Scheme and NJ Flexi Cap Fund
Mr. Vishal Ashar Age: 40 Education Qualification: BMS, MMS	i. Managing the scheme since: March 8, 2023 (only Arbitrage Portion) ii. Last 10 years experience - NJ Asset Management Private Limited - Indiabulls Asset Management Company Limited (From February 2015 to December 2020) - Motilal Oswal Securities Limited (From April 2008 to July 2014)	NJ Arbitrage Fund
Mr. Dhaval Patel Age: 44 Education Qualification: Master in Computer Applications	i. Managing the scheme since: March 8, 2023 ii. Last 10 years experience - NJ Asset Management Private Limited (From January 2023 to till date) - NJ IndiaInvest Private Limited (From February 2006 to December 2022)	NJ Overnight Fund, NJ Arbitrage Fund, NJ ELSS Tax Saver Scheme and NJ Flexi Cap Fund

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

NJ Balanced Advantage Fund is an open ended dynamic asset allocation fund. Differentiation is as follows:

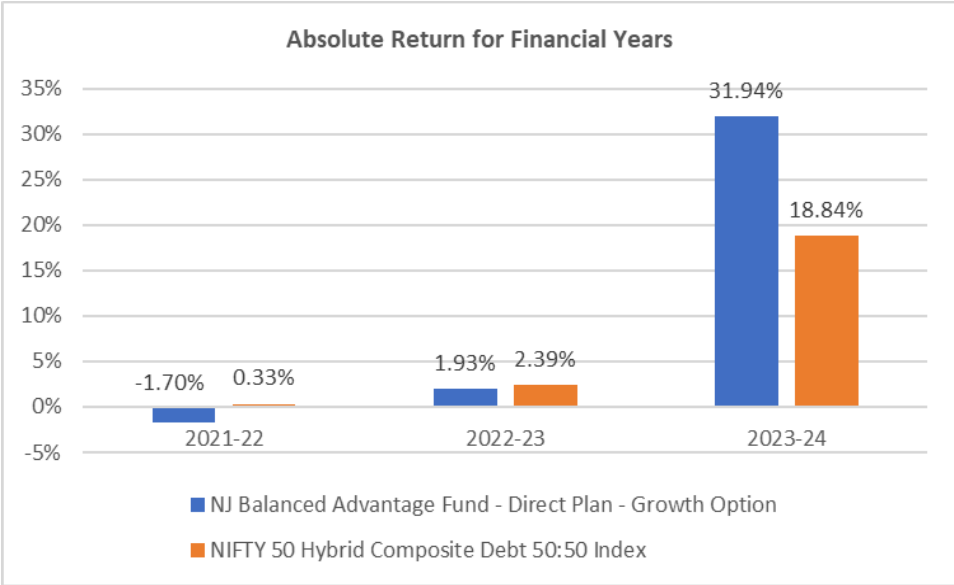
a. Reference list of existing open ended equity schemes of NJ Mutual Fund are as follows:

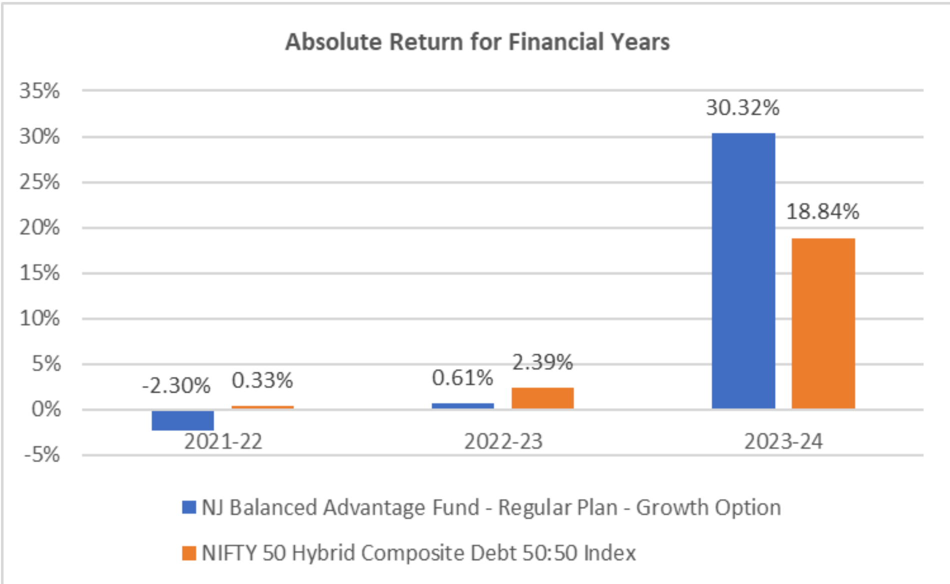
Sr. No.	Name of the Scheme
1	NJ Arbitrage Fund
2	NJ ELSS Tax Saver Scheme
3	NJ Flexi Cap Fund

b. Please refer to the AMC website for a detailed for existing schemes different from existing schemes of NJ Mutual Fund.
https://downloads.njmutualfund.com/njmf_download.php?nme=978

G. HOW HAS THE SCHEME PERFORMED

Performance as on September 30, 2024	Compounded Annualised Returns	Direct Plan – Growth option		Regular Plan – Growth option	
		Scheme Returns %	Benchmark Returns % (NIFTY 50 Hybrid Composite Debt 50:50 Index)	Scheme Returns %	Benchmark Returns % (NIFTY 50 Hybrid Composite Debt 50:50 Index)
	Returns for the last 1 year	31.73%	20.58%	30.02%	20.58%
	Returns for the last 3 years	-	-	-	-
	Returns for the last 5 years	-	-	-	-
	Returns since inception	14.88%	10.80%	13.39%	10.80%





Absolute Returns for each financial year for the last 5 years.*

***Note: The scheme has been in existence for more than 1 year but less than 3 years or 5 years.**

H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors)
https://downloads.njmutualfund.com/njmf_download.php?nme=978

ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description : **Not applicable since the scheme**

is an open ended dynamic asset allocation fund

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

Monthly:
https://downloads.njmutualfund.com/njmf_download.php?nme=127

Half Yearly:
https://downloads.njmutualfund.com/njmf_download.php?nme=132

iv. Portfolio Turnover Rate as on September 30, 2024: 4.95

v. Aggregate investment in the Scheme by concerned Fund Manager as on September 30, 2024:

Sr. No.	Category of Persons (Concerned scheme Fund Manager)	Net Value		Market Value (in Rs.)
		Units	NAV per unit	
1	Mr. Viral Shah	132385.619	15.00	1982984.43
2	Mr. Vishal Ashar	91303.703	15.00	1369555.55
3	Mr. Dhaval Patel	31511.182	15.00	470987.81

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

vi. Investments of AMC in the Scheme – Please refer the AMC website at https://downloads.njmutualfund.com/njmf_download.php?nme=270

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

Part III- OTHER DETAILS

A. COMPUTATION OF NAV

The Net Asset Value (NAV) of the Units will be determined daily or as prescribed by the Regulations. The NAV shall be calculated in accordance with the following formula, or such other formula as may be prescribed by SEBI from time to time.

NAV =Market/Fair value of Scheme's Investments + Receivables + Accrued Income + Other Assets - Accrued Expenses - Payables - Other Liabilities

____

No. of units outstanding under Scheme

The AMC will calculate and disclose the first NAV of the Plan(s) not later than 5 Business Days from the allotment of units of the respective Plan(s). Subsequently, the NAV of the Scheme will be calculated and disclosed as of the close of every Business Day

Separate NAVs will be calculated and announced for each of the options under the scheme. NAVs of the growth option and IDCW option will be different after the declaration of the first amount distributed under the IDCW option. Rounding off policy for NAV of the Units in the Scheme is calculated in the manner provided in this Scheme Information Document or as may be prescribed by Regulations from time to time. The NAV will be computed up to **two decimal** places.

Illustration of Computation of NAV:

The computation of NAV per unit using various components is explained as follows:

Particulars	**Amount in Rs.**
Value of Scheme's Investment (A)	10,00,00,000
Add: Current Assets including accrued income (B)	75,34,345
Less: Current Liabilities and Provisions (C)	(30,00,000)
Net Assets (A+B-C)	10,45,34,345

No of Units outstanding under Scheme on the Valuation Day: 1,00,00,000

The NAV per unit will be computed as follows: $\frac{10,45,34,345}{1,00,00,000}$ = Rs. 10.45

The Mutual Fund will ensure that the repurchase price shall not be lower than 95% of the NAV.

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

B. NEW FUND OFFER (NFO) EXPENSES

This section is not applicable since the scheme is an ongoing scheme.

C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that upto 2.25% of the daily net assets of the scheme will be charged to the scheme as expenses For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

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

$Though it is permitted to charge up to 2.25% under SEBI Regulation, the scheme intends to charge upto 1.85%.

*As permitted under the Regulation 52 of SEBI (MF) Regulations, 1996 and pursuant to SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, SEBI (Mutual Funds) Second Amendment Regulations, 2012 and SEBI (Mutual Funds) (Fourth Amendment) Regulations 2018.

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

Direct Plan.

All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads other than Direct Plan.

The Scheme can charge expenses within overall maximum limits prescribed under SEBI (MF) Regulations, without any internal cap allocated to any of the expense heads specified in the above table.
Types of expenses charged shall be as per the SEBI (Mutual Funds) Regulations, 1996.

As per the Regulations, the maximum recurring expenses that can be charged to the Scheme shall be subject to a percentage limit of daily net assets as in the table below:

First Rs. 500 crore	Next Rs. 250 crore	Next Rs. 1,250 Crore	Next Rs. 3,000 crore	Next Rs. 5,000 crore	Next Rs.40,000 crores	Balance
2.25%	2%	1.75%	1.60%	1.50%	TER reduction of 0.05% for every increase of Rs.5,000 crore of daily net assets or part thereof	1.05%

The above expense percentage excludes additional expenses that can be charged towards:
i) upto 5 bps under the Regulation 52(6A)(c),
ii) upto 30 bps for gross new inflows from retail investors from specified cities and
iii) Goods and Services tax on investment management and advisory fees. The same is more specifically elaborated below.

Pursuant to SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, SEBI (Mutual Funds) Second Amendment Regulations, 2012, and SEBI (Mutual Funds) (Fourth Amendment) Regulations 2018 following additional costs or expenses may be charged to the scheme, namely:

(i) The AMC may charge Goods and Services tax on investment and advisory fees to the scheme of the Fund in addition to the maximum limit of total expenses ratio as prescribed in Regulation 52 of the SEBI (MF)Regulations 1996, whereas Goods and Services tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit as per regulation 52 of the SEBI (MF) Regulations 1996.

(ii) expenses not exceeding of 0.30 percent of daily net assets, if the new inflows from retail investors from B30 cities as specified by the Securities and Exchange Board of India, from time to time are at least –

- 30 percent of the gross new inflows from retail investors from B30 cities into the scheme, or;
- 15 percent of the average assets under management (year to date) of the scheme, whichever is higher;

Provided that if inflows from retail investors from B30 cities are less than the higher of the above, 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 utilized for distribution expenses incurred for bringing inflows from retail investors from B30 cities;

Provided further that the amount incurred as expense on account of inflows from retail investors from B30 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.

For above purposes, 'B30 cities' shall be beyond Top 30 cities as at the end of the previous financial year as communicated by AMFI. Retail investors would mean individual investors from whom inflows into the Scheme would amount upto Rs. 2,00,000/- per transaction.

(iii) Additional expenses, incurred towards different heads mentioned under sub-regulations (2) and (4) of Regulation 52 of the SEBI(MF) Regulations 1996, not exceeding 0.05 per cent of daily net assets of the scheme. However, such additional expenses will not be charged if exit load is not levied or not applicable to the Scheme.

At least 2 basis points on daily net assets within the maximum limit of overall expense Ratio shall be annually set apart for investor education and awareness initiatives.

Further, the brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 12 bps and 5bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations,1996.

Goods and Services tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under regulation 52 of the Regulations. Expenses shall be charged / borne in accordance with the Regulations prevailing from time to time.

For the actual current expenses being charged, the investor should refer to the website of the mutual fund at the following link www.njmutualfund.com . Any change proposed to the current expense ratio will be updated on the website and communicated to the investors via e-mail or SMS at least three working days prior to the effective date of the change (in accordance with SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024). Further, the disclosure of the expense ratio on a daily basis shall also be made on the website of AMFI viz. www.amfiindia.com.

Impact of TER on returns of both Direct plan and Regular plan through an illustration may be provided:

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

Particulars	Regular Plan	Direct Plan
Amount invested at the beginning of the year	10,000	10,000
Returns before expenses	2,000	2,000
Expenses other than Distribution expenses	150	150
Distribution expenses	50	-
Returns after expenses at the end of the year	1,800	1,850

Any other information/disclosure to be added as per applicable Consolidated checklist of standard observations.

D. LOAD STRUCTURE

Type of Load	Load chargeable (as %age of NAV)
Entry Load	Not Applicable. Clause 10.4 of SEBI Master Circular for Mutual Funds dated June 27, 2024 states that there will be no entry load charged for all the Mutual Fund Schemes.
Exit Load	1. NIL Exit load – for 5% of the units upto completion of 30 days ➢ The "First In First Out (FIFO)" logic will be applied while selecting the units for redemption. ➢ Waiver of Exit load is calculated for each inflow transaction separately on FIFO basis and not on the total units through multiple inflows. ➢ The load free units from purchases made subsequent to the initial purchase will be available only after redeeming all units from the initial purchase. 2. All units redeemed /switched-out in excess of the 5% load free units will be subject to the below mentioned exit load. ➢ 1.00% - if Units are redeemed/switched-out on or before 30 days from the date of allotment ➢ Nil - if redeemed after 30 days from the date of allotment.

The exit load charged, net of Goods and Services Tax (GST), if any, shall be credited to the Scheme.

The investor is requested to check the prevailing load structure of the Scheme before investing. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres. Any imposition or enhancement in the load shall be applicable on prospective investments only.

All loads for the Scheme shall be maintained in a separate account and may be utilized towards meeting the selling and distribution expenses.

Subject to the Regulations, the Trustee reserves the right to modify/alter the load structure on the Units subscribed/redeemed on any Business Day. At the time of changing the load structure, the AMC / Mutual Fund may adopt the following procedure:

i. The addendum detailing the changes will be attached to Scheme Information Documents and key information memorandum. The addendum will be circulated to all the distributors so that the same can be attached to all Scheme Information Documents and key information memorandum already in stock.
ii. Arrangements will be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centers, AMC website and distributors office.
iii. The introduction of the exit load along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load.
iv. 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 the region where the Head Office of the Mutual Fund is situated.
v. Any other measures which the Mutual Fund may feel necessary.
vi. Any imposition or enhancement in the load shall be applicable on prospective investments only.

Section II

I. **Introduction**

A. Definitions/interpretation

Please refer the AMC website for definitions and interpretations: https://downloads.njmutualfund.com/uploads/DEFINITIONS%20AND%20INTERPRETATION.-20240614112848.pdf

B. Risk factors

Scheme specific risk factors

1. Schemes investing in Equities:
Equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the scheme to make intended securities purchases, due to settlement problems, could cause the scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the scheme, should there be a subsequent decline in the value of securities held in the scheme portfolio. Also, the value of the scheme investments may be affected by interest rates, currency exchange rates, changes in law/policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors.

The scheme may hold such securities for only a very short time, which could tend to increase the costs. The scheme may invest in growth stocks which may be more volatile than the market in general and may react differently to economic, political and market developments and to specific information about the issuer.

2. Risks associated with the Scheme's rule based investment strategy:
The scheme allocates its assets and selects securities using a rule based active approach based on proprietary protocols. These protocols are derived based on analysis of various market, macroeconomic and fundamental factors described below. Based on the emerging information and analysis, these protocols / rules may change from time to time.There is no guarantee that these rules will generate higher returns compared to the benchmark.

3. Risk Associated with Specified Debt Securities:
Specified Debt Securities under this document includes TREPS (or any similar instrument), Repo/Reverse Repo (in Government Securities), Treasury bills, Government securities (Issued by both Central and State governments) and other like instruments as specified by the Reserve Bank of India from time to time and approved by SEBI from time to time.

Price-Risk or Interest-Rate Risk:
Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

Credit Risk:
In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in TREPS, Repo/Reverse Repo (in Government Securities), Treasury bills, Government securities (Issued by both Central and State governments)Government securities, there is relatively no credit risk to that extent.

Liquidity or Marketability Risk:
This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today's characteristic of the Indian fixed income market.

Reinvestment Risk:
Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

Prepayment Risk:
Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

Tri Party Repo through CCIL (TREPS):
The mutual fund is a member of the securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honor his settlement obligations, the default Fund is utilized to complete the settlement. The sequence in which the above resources are used is known as the "Default Waterfall". As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). However, it may be noted that a member shall have the right to submit resignation from the membership of the Security segment if it has taken a loss through replenishment of its contribution to the default fund for the segments and a loss threshold as notified have been reached. The maximum contribution of a member towards replenishment of its contribution to the default fund in the 7 days (30 days in case of securities segment) period immediately after the afore-mentioned loss threshold having been reached shall not exceed 5 times of its contribution to the Default Fund based on the last recomputation of the Default Fund or specified amount, whichever is lower. Further, it may be noted that CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central

Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

4. Risks Associated with Trading in Derivatives:
Derivatives require the maintenance of adequate controls to monitor the transactions and the embedded market risks that a derivative adds to the portfolio. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives.

Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Scheme. Other risks in using derivatives include but are not limited to:

Counterparty Risk:
This occurs when a counterparty fails to abide by its contractual obligations and therefore, the Schemes are compelled to negotiate with another counter party, at the then prevailing (possibly unfavourable) market price. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement but one takes the performance risk on the exchange.

Market Liquidity:
This is the risk that the derivatives cannot be transacted at prices that reflect the underlying assets, rates and indices.

Model Risk:
This is the risk of mis-pricing or improper valuation of derivatives.

Basis Risk:
This arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged.

The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

Risk Factors pertaining to derivative strategies:
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 investment manager to identify such opportunities. Identification and execution of the strategies to be pursued by the investment 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.

Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place. The option buyer's risk is limited to the premium paid. Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. Risk of loss in trading in futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets. 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.

5. Risks Associated With Transaction in Units Through Stock Exchange Mechanism:
In respect of transactions in Units of the Scheme through NSE and/or BSE or any other recognized stock exchange, allotment and redemption of Units on any Business Day will depend upon the order processing/settlement by NSE, BSE or such other exchange and their respective clearing corporations on which the Mutual Fund has no control. Further, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by NSE, BSE or such other recognized exchange in this regard. Accordingly, there could be negative impacts to the investors such as delay or failure in allotment / redemption of Units. The Fund and the AMC are not responsible for the negative impacts.

6. Risk associated with Taxation of the Scheme:
Equity oriented mutual fund means a fund which has been set up under a scheme of a Mutual Fund specified under clause (23D) of Income Tax Act, 1961 where more than 65% of the investible funds are invested in equity shares of domestic companies. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures. In an event where the percentage of annual average of monthly averages of equity shares of domestic companies falls below 65% of the investible funds, then the scheme may be classified as a Non Equity Oriented Fund and it may have additional tax implication on investors.

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

There are risks inherent in Securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of the 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, 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 in respect of the Securities lent. The Fund may not be able to sell such lent Securities and this can lead to temporary illiquidity.

8. Investments by the Scheme in other schemes:
The Scheme may invest in other scheme(s) managed by the AMC or in schemes of other mutual funds, provided such investments are in conformity with the investment objectives of the Scheme and in accordance with terms of the prevailing SEBI Regulations.

Such investments in other schemes may provide the Scheme access to a specialised investment area or economic sector which can be more effectively accessed by investing in the underlying scheme(s). The Fund Manager will only make such investments if it determines in its discretion that to do so is consistent with the interests of the Unit holders of the Scheme. The Scheme may invest in schemes operated by third parties. Considering third parties are not subject to the oversight or control of the AMC, the Fund Manager may not have the opportunity to verify the compliance of such schemes with the laws and regulations applicable to them.

It is possible that a number of underlying scheme(s) might take substantial positions in the same security at the same time. This inadvertent concentration may interfere with the Scheme's goal of diversification. The AMC would attempt to alleviate any potential inadvertent concentration as part of its regular monitoring and reallocation process. Conversely the AMC may at any given time, hold opposite positions, such positions being taken by different underlying scheme(s). Each such position shall result in transaction fees for the Scheme without necessarily resulting in either a loss or a gain. Moreover, the AMC may proceed to a reallocation of assets between the underlying scheme(s) and liquidate investments made in one or several of them. Further, many of the underlying scheme(s) in which the Scheme may invest could use special investment techniques or concentrate its investments in only one geographic area or asset investment category, which may subject the Scheme's investments to risks different from those posed by investments in equity or fixed income scheme(s) or risks of the market and of rapid changes to the relevant geographic area or investment category.

When the Scheme invests in other schemes, the Unit holders in the Scheme will also incur fees and expenses (such as, but no limited to, management fees, custody fees, registrar fees, audit fees, etc.) at the level of the underlying scheme in accordance with the offering documents of the relevant scheme(s) and the limits prescribed under the SEBI Regulations.

No assurance can be given that the strategies employed by other schemes in the past to achieve attractive returns will continue to be successful or that the return on the Scheme's investments will be similar to that achieved by the Scheme or other schemes in the past.

9. Risk of Changes in Borrowing Rates:

The Scheme may borrow funds on a temporary basis within the limits set forth under the SEBI Regulations. The Scheme may choose to only borrow from the Custodian of the Scheme, and the borrowing rate imposed by the Custodian of the Scheme may change due to market conditions. As a consequence thereof, the borrowing rates imposed by the Custodian may not be the most competitive.

10. Risk Factors relating to Portfolio Rebalancing:

In the event that the asset allocation of the Scheme deviates from the ranges as provided in the asset allocation table in this SID, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table within a period of 30 business days from the date of said deviation. However, if market conditions do not permit the Fund Manager to rebalance the portfolio of the Scheme within the stipulated period of 30 business days then the AMC would notify the Investment Committee of the AMC with appropriate justifications.

11. Risk Factors in case of Corporate Actions:

In case the Scheme invests in stocks of companies outside the Index due to corporate actions, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table within a period of 30 days from the date of said deviation. However, if market conditions do not permit exiting the corporate action within this stipulated period of 30 days then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

12. Valuation of the Scheme's Investments:
The AMC carries out valuation of investments made by the Scheme. The AMC values Securities and assets in the Scheme according to the valuation policies described in the Statement of Additional Information.

13. Proxy Voting by the AMC:
The AMC has adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions that it makes on behalf of the Scheme, and to help ensure that such decisions are made in accordance with its fiduciary obligations to the Scheme. Notwithstanding proxy voting policies and procedures, proxy voting decisions made by the AMC with respect to Securities held by the Scheme may benefit the interests of AMC other than the Scheme.

14. Risk factors associated with Creation of Segregated Portfolio:
In the event of creation of Segregated Portfolio in case of a Credit Event, investors' investments may be subject to following risks:

- Investor holding units of Segregated Portfolio may not be able to liquidate their holding till recovery of money from the issuer.

- Listing of units of Segregated Portfolio on recognised stock exchange does not necessarily guarantee its liquidity. There may not be active trading of units on the exchange. Further trading price of units on the exchange may be significantly lower than the prevailing NAV.

- Security comprising Segregated Portfolio may not realise any value.

15. Other Scheme Specific Risk factors:

- Investment decisions made by the AMC may not always be profitable, even though it is intended to generate capital appreciation and maximize the returns by passively investing in equity and equity related securities as mentioned in the asset allocation pattern.

- Political Risks: Whereas the Indian market was formerly restrictive, a process of deregulation has been taking place over recent years. This process has involved removal of trade barriers and protectionist measures, which could adversely affect the value of investments. It is possible that the future changes in the Indian political situation, including political, social or economic instability, diplomatic developments and changes in laws and regulations could have an effect on the value of investments. Expropriation, confiscatory taxation or other relevant developments could affect the value of investments.

- Although the objective of the Fund is to generate optimal returns, the objective may or may not be achieved. The investors may note that if the AMC/Investment Manager is not able to make the right decision regarding the timing of increasing exposure in securities other than equities in times of falling equity markets, it may result in negative returns. Given the nature of the scheme, the portfolio turnover ratio may be on the higher side commensurate with the investment decisions and Asset Allocation of the Scheme. At times, such churning of the portfolio may lead to losses due to subsequent negative or unfavorable market movements.

- The tax benefits available under the scheme are as available under the present taxation laws and are available only to certain specified categories of investors and that is subject to fulfillment of the relevant conditions. The information given is included for general purposes only and is based on advice that the AMC has received regarding the law and the practice that is currently in force in India and the investors and the Unitholders should be aware that the relevant fiscal rules and 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 investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor/Unitholder is advised to consult his/her own professional tax advisor.

C. Risk Mitigation Strategies

The Scheme by utilizing a holistic risk management strategy will endeavor to manage risks associated with investing in equity, arbitrage strategies and specified debt securities. The risk control process involves identifying & measuring the risk through various risk measurement tools.

1. Risk Associated with Equity and equity related instruments:

Concentration Risk: Concentration risk represents the probability of loss arising from heavily lopsided exposure to a particular group of sectors or securities. The Scheme will try and mitigate this risk by investing in a large number of companies so as to maintain optimum diversification and keep stock-specific concentration risk relatively low.

Market Risk: The scheme is vulnerable to movements in the prices of securities invested by the scheme, which could have a material bearing on the overall returns from the scheme. Market risk is a risk which is inherent to an equity scheme. The Schemes may use derivatives to limit this risk.

Liquidity risk: The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests. As such the liquidity of stocks that the fund invests into could be relatively low. The fund will try to maintain a proper asset-liability match to ensure redemption / Maturity payments are made on time and not affected by illiquidity of the underlying stocks.

Rule based investment: The investment in the equity stocks will be selected and weighted using factor-based investment techniques that aim to achieve a mix of attributes considered supportive of long term performance and investments shall be made on the basis of pre-defined rules. To maintain the relevance of these rules in changing market conditions, the AMC may review and update the rule from time to time.

2. Risk associated with Specified Debt Securities:

Liquidity risks: The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities.

Interest Rate Risk: Changes in interest rates affect the prices of bonds. If interest rates rise the prices of bonds fall and vice versa. A well-diversified portfolio may help to mitigate this risk.

Volatility risks: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification.

Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities in the Schemes are reinvested. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed. Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.

3. Risk associated with investing in Derivatives:

As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counterparty") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

The Scheme may invest in derivatives for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Derivatives will be used in the form of Index Options, Index Futures, Stock Options and Stock Futures and other instruments as may be permitted by SEBI. All derivatives trade will be done only on the exchange with guaranteed settlement. Fund managers will endeavor to use derivatives which are relatively liquid and traded frequently on the exchanges. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. No OTC contracts will be entered into.

4. Risks associated with Securities Lending & Borrowing and Short Selling:

At present, there is no significant activity in the Securities Borrowing and Lending market. However, we understand the risks associated with the securities lending business and the AMC will have appropriate controls (including limits) before initiating any such transactions.

5. Risks associated with investment in schemes of mutual fund:

The AMC will have appropriate controls (including limits) before investing in schemes of mutual funds.

II. <u>Information about the scheme:</u>

A. Where will the scheme invest – Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I

<u>DETAILED DESCRIPTION OF THE INSTRUMENTS</u>

DERIVATIVES

i) Trading in Derivatives
The Scheme may use derivatives instruments like Stock/ Index Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time as permitted under the Regulations and guidelines from time to time.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Scheme and the risks attached therewith.

ii) Derivatives Strategy
Position limits for investment in Derivative instruments:

The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005, circular no. DNPD/Cir-30/2006 dated January 20, 2006, circular no. DNPD/Cir-31/2006 dated September 22, 2006, circular no. Cir/ IMD/DF/11/2010 dated August 18, 2010, circular no. SEBI/HO/MRD/DP/CIR/P/2016/143 dated December 27, 2016. All Derivative positions taken in the portfolio would be guided by the following principles:

i. Position limit for the Fund in index options contracts

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

2. This limit would be applicable on open positions in all options contracts on a particular underlying index.

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

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

2. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging:

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

1. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Fund's holding of stocks.

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

iv. Position limit for the Fund for stock based derivative contracts:

The Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts:-

1. The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).
2. The MWPL and client level position limits however would remain the same as prescribed.

v. Position limit for the Scheme:

The position limits for the Scheme and disclosure requirements are as follows–

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares).

   Or

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

2. This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

For index based contracts, the Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index."

Illustration of some derivative transactions:

i) Index Futures:

Benefits

a) Investment in Stock Index Futures can give exposure to the index without directly buying the individual stocks. Appreciation in Index stocks can be effectively captured through investment in Stock Index Futures.

b) The Fund can sell futures to hedge against market movements effectively without actually selling the stocks it holds.

The Stock Index futures are instruments designed to give exposure to the equity market indices. BSE Limited and National Stock Exchange of India Limited have started trading in index futures of 1, 2 and 3-month maturities. The pricing of an index future is the function of the underlying index and interest rates.

Illustration

Spot Index: 1070
1 month Nifty Future Price on day 1: 1075
Fund buys 100 lots
Each lot has a nominal value equivalent to 200 units of the underlying index

Let us say that on the date of settlement, the future price = Closing spot price = 1085

Profits for the Fund = (1085-1075)* 100 lots*200 = Rs. 200,000

Please note that the above example is given for illustration purposes only.
The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to the one with equity investments. Additional risks could be on account of illiquidity and hence mispricing of the future at the time of purchase.

ii) Buying Options:
Benefits of buying a call option:

Buying a call option on a stock or index gives the owner the right, but not the obligation, to buy the underlying stock / index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration

For example, if the fund buys a one month call option on ABC Limited at a strike of Rs. 150, the current market price being say Rs.151. The fund will have to pay a premium of say Rs. 15 to buy this call. If the stock price goes below Rs.150 during the tenure of the call, the fund avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The fund gives up the premium of Rs. 15 that has to be paid in order to protect the fund from this probable downside. If the stock goes above Rs. 150, it can exercise its right and own ABC Limited at a cost price of Rs. 150, thereby participating in the upside of the stock.

Benefits of buying a put option

Buying a put option on a stock originally held by the buyer gives him/her the right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration

For example, if the fund owns ABC Limited and also buys a three month put option on ABC Limited at a strike of Rs. 150, the current market price being say Rs.151. The fund will have to pay a premium of say Rs. 12 to buy this put. If the stock price goes below Rs. 150 during the tenure of the put, the fund can still exercise the put and sell the stock at Rs. 150, avoiding therefore any downside on the stock below Rs. 150. The fund gives up the fixed premium of Rs. 12 that has to be paid in order to protect the fund from this probable downside. If the stock goes above Rs. 150, say to Rs. 170, it will not exercise its option. The fund will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of Rs. 170.

The following section describes some of the more common equity derivatives transactions long with their usage:

1. Basic Structure of a Stock & Index Future

The Stock Index futures are instruments designed to give exposure to the equity markets indices. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) provide futures in select stocks and indices with maturities of 1, 2 and 3 months. The pricing of a stock/index future is the function of the underlying stock/index and short term interest rates.

Example using hypothetical figure

1 month NIFTY 50 Index Future Say, Fund buys 1,000 futures contracts; each contract value is 50 times futures index price
Purchase Date: Feb 01, 2019
Spot Index: 6036.25
Future Price: 6081.90
Say, Date of Expiry: Feb 24, 2019
Say, Margin: 20%

Assuming the exchange imposes a total margin of 20%, the Investment Manager will be required to provide a total margin of approx. Rs. 6.08 Cr (i.e.20% * 6081.90 * 1000 * 50) through eligible securities and cash.

Date of Expiry:

Assuming on the date of expiry, i.e. Feb 24, 2019, Nifty 50 Index closes at 6100, the net impact will be a profit of Rs 9,05,000 for the fund i.e. (6100–6081.90)*1000*50

Futures price = Closing spot price = 6100.00 Profits for the Fund = (6100–6081.90)*1000*50 = Rs. 9,05,000

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity.

The net impact for the Fund will be in terms of the difference of the closing price of the index and cost price.

Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures.

2. Basic Structure of an Equity Option

An option gives a buyer the right but does not cast the obligation to buy or sell the underlying. An option is a contract between two parties wherein the buyer receives a privilege for which he pays a fee (premium) and the seller accepts an obligation for which he receives a fee. The premium is the price negotiated and set when the option is bought or sold. A person who buys an option is said to be long in the option. A person who sells (or writes) an option is said to be short in the option.

In India, National Stock Exchange of India Limited (NSE) became the first exchange to launch trading in options on individual securities. Trading in options on individual securities commenced from July 2, 2001. All stock/index Option contracts are European style (w.e.f. January 2011) and cash settled as stipulated by the Securities and Exchange Board of India (SEBI).

Example using hypothetical figures on Index Options:
Market type: N
Instrument Type: OPTIDX
Underlying: Nifty
Purchase date: Feb 01, 2019
Expiry date: Feb 24, 2019
Option Type: Put Option (Purchased)
Strike Price: Rs. 6,000.00
Spot Price: Rs. 6036.00
Premium: Rs. 84.00
Lot Size: 50
No. of Contracts: 100

Say, the Fund purchases on Feb 01, 2019, 1 month Put Options on Nifty on the NSE i.e. put options on 5000 shares (100 contracts of 50 shares each) of Nifty.

Date of Exercise

As these are European style options, they can be exercised only on the exercise date i.e. Feb 24, 2018. If the share price of Nifty falls to Rs.5,500 on expiry day, the net impact will be as follows:

Premium expense = Rs.84*100* 50 Rs. 4,20,000

Option Exercised at = Rs. 5,500

Profits for the Fund = (6000.00–5,500.00) * 100*50 = Rs. 25,00,000

Net Profit = Rs. 25,00,000 – Rs. 4,20,000 = Rs. 20,80,000

In the above example, the Investment Manager hedged the market risk on 5000 shares of Nifty Index by purchasing Put Options.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins have been ignored. The purchase of Put Options does not increase the market risk in the fund as the risk is already in the fund's portfolio on account of the underlying asset position. The illiquidity and potential mis–pricing of the options.

The fund will use derivatives instruments for the purpose of hedging or portfolio rebalancing or for any other stock and / or index derivative strategies as allowed under the SEBI regulations.

Example of Hedging using Index Futures

The scheme holds stock at current market price of Rs. 100. To hedge the exposure, the scheme will sell index futures for Rs. 100.

The stock will make a gain or a loss subject to its relative out-performance or underperformance of the markets.
Stock A falls by 10% and market index also falls by 10%.
Profit/(Loss) on stock A will be = (Rs. 10)
Profit/(Loss) on Short Nifty futures = Rs. 10
Net Profit/(loss) = Nil

Therefore, hedging allows the scheme to protect against market falls. Please note that the above examples are only for illustration purposes.

Valuation of Derivative Products:

I. The traded derivatives shall be valued at market price in conformity with the valuation policy of the Mutual Fund.

II. The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.

Various Derivatives Strategies:

If and where Derivative strategies are used under the scheme the Fund Manager will employ a combination of the following strategies:

1. Index Arbitrage:

As the Nifty 50 Index derives its value from fifty underlying stocks, the underlying stocks can be used to create a synthetic index matching the Nifty Index levels. Also, theoretically, the fair value of a stock/ index futures is equal to the spot price plus the cost of carry i.e. the interest rate prevailing for an equivalent credit risk, in this case is the Clearing Corporation of the NSE.

Theoretically, therefore, the pricing of Nifty Index futures should be equal to the pricing of the synthetic index created by futures on the underlying stocks. However, due to market imperfections, the index futures may not exactly correspond to the synthetic index futures.

The Nifty Index futures normally trades at a discount to the synthetic Index due to large volumes of stock hedging being done using the Nifty Index futures giving rise to arbitrage opportunities.

The fund manager shall aim to capture such arbitrage opportunities by taking long positions in the Nifty Index futures and short positions in the synthetic index. The strategy is attractive if this price differential (post all costs) is higher than the investor's cost-of-capital.

Objective of the Strategy

The objective of the strategy is to lock-in the arbitrage gains.

Risks Associated with this Strategy

- Lack of opportunity available in the market
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices:
- Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

2. Cash Futures Arbitrage: (Only one way as funds are not allowed to short in the cash market).

The scheme would look for market opportunities between the spot and the futures market.

The cash futures arbitrage strategy can be employed when the price of the futures exceeds the price of the underlying stock.

The Scheme will first buy the stocks in the cash market and then sell in the futures market to lock the spread known as arbitrage return.

Buying the stock in the cash market and selling the futures results into a hedge where the Plans have locked in a spread and is not affected by the price movement of the cash market and futures market. The arbitrage position can be continued till expiry of the future contracts.

The future contracts are settled based on the last half an hour's weighted average trade of the cash market. Thus there is a convergence between the cash market and the futures market on expiry. This convergence helps the Plans under the Scheme to generate the arbitrage return locked in earlier. However, the position could even be closed earlier in case the price differential is realized before expiry or better opportunities are available in other stocks. The strategy is attractive if this price differential (post all costs) is higher than the investor's cost-of-capital.

Objective of the Strategy

The objective of the strategy is to lock-in the arbitrage gains.

Risk Associated with this Strategy
- Lack of opportunity available in the market.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place

3. Hedging and alpha strategy: The fund will use exchange-traded derivatives to hedge the equity portfolio. The hedging could be either partial or complete depending upon the fund managers' perception of the markets. The fund manager shall either use index futures and options or stock futures and options to hedge the stocks in the portfolio. The fund will seek to generate alpha by superior stock selection and removing market risks by selling appropriate index. For example, one can seek to generate positive alpha by buying an IT stock and selling Nifty IT Index future or a bank stock and selling Bank Index futures or buying a stock and selling the Nifty Index.

Objective of the Strategy

The objective of the strategy is to generate alpha by superior stock selection and removing market risks by hedging with appropriate index.

Risk Associated with this Strategy

The stock selection under this strategy may under-perform the market and generate a negative alpha.

The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

4. Other Derivative Strategies: As allowed under the SEBI guidelines on derivatives, the fund manager will employ various other stock and index derivative strategies by buying or selling stock/index futures and/or options.

Objective of the Strategy

The objective of the strategy is to earn low volatility consistent returns.

Risk Associated with this Strategy

- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices
- Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

For details on applicable limits pertaining to derivatives, kindly refer to the section 'What are the investment restrictions?'

<u>OVERVIEW OF DEBT MARKET:</u>

The Indian debt markets are one of the largest and rapidly developing markets in Asia. Government and Public Sector enterprises are the predominant borrowers in the market. The debt markets have received lot of regulatory and governmental focus off late and are developing fast, with the rapid introduction of new instruments including derivatives. Foreign Institutional Investors are also allowed to invest in Indian debt markets subject to ceiling levels announced by the government. There has been a considerable increase in the trading volumes in the market. The trading volumes are largely concentrated in the Government of India Securities, which contribute a significant proportion of the daily trades. The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks), Treasury Bills (issued by RBI) and the triparty repo.

Government securities are largely traded on a Negotiated Order Matching system (NDS OM) apart from the OTC market. The settlement of trades both in the G-sec markets and the overnight repo and triparty repo are guaranteed and done by a central counterparty, the Clearing Corporation of India (CCIL). Money market deals involving CD's and CP's are traded and settled on an OTC basis. The clearing and settlement of corporate bond deals are now routed through a central counterparty established by the exchanges BSE (ICCL) and NSE (NSCCL) which settles deals on a DVP (Delivery versus payment) non guaranteed basis.

The interest rate market conditions are influenced by the Liquidity in the system, Credit growth, GDP growth, Inflows into the Country, Currency movement in the Forex market, demand and supply of issues and change in investors' preference. Generally, when there is a rise in interest rates the price of securities fall and vice versa. The extent of change in price shall depend on the rating, tenor to maturity, coupon and the extent of fall or rise in interest rates. The Government securities carry zero credit risk, but they carry interest rate risk like any other Fixed Income Securities. Money market instruments such as CP's and CD's which are fairly liquid are not listed in exchanges. The impact cost of offloading the various asset classes differ depending on market conditions and may impair the value of the securities to that extent.

B. 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. A mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such Investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and Board of Directors of the asset management company:

Further, the scheme shall not invest more than:
a. 10% of its NAV in debt and money market securities rated AAA; or
b. 8% of its NAV in debt and money market securities rated AA; or
c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified.

The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating. Exposure to government money market instruments such as TREPS on G-Sec/ T-bills shall be treated as exposure to government securities.

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and [triparty repo on Government securities or treasury bills]:

Provided further that investments within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board:

[Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.]

2. A mutual fund scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments:

Provided that Mutual Fund Schemes may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the scheme subject to such conditions as may be specified by the Board from time to time:

Provided further that mutual fund schemes shall comply with the norms under this clause within the time and in the manner as may be specified by the Board:
Provided further that the norms for investments by mutual fund schemes in unrated debt instruments shall be specified by the Board from time to time.]

3. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall be subject to the following:

- Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
- Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.
- All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

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

Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 7B.

5. A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund:
[Provided that this clause shall not apply to any fund of funds scheme.]

6. Every 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 a 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 the Board:

[Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board].

[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.]

7. Every mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.

8. Pending deployment of funds of the Scheme, the AMC may invest funds of the Scheme in short term deposits of scheduled commercial banks, subject to the following conditions issued by SEBI vide its circular SEBI/HO/IMD/DF2/CIR/P/2019/101 dated September 20, 2019:

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 their net assets in the short term deposit(s)of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
iv. The Scheme shall not park more than 10% of their net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
v. The Trustee shall ensure that the funds of the Scheme are not parked in the short term deposits of a bank which has invested in the Scheme.
vi. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
vii. The Trustee shall also ensure that the bank in which a scheme has short term deposits does not invest in the scheme until the scheme has short term deposits with such bank.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative markets.

9. No loans for any purpose can be advanced by the Scheme.

10. No Scheme shall make any investment in:
i. any unlisted security of any associate or group company of the Sponsors; or
ii. any security issued by way of private placement by an associate or group company of the Sponsors; or
iii. the listed securities of group companies of the Sponsors, which is in excess of 25% of the net assets.

11. No scheme of a mutual fund shall make any investment in any fund of funds scheme.

12. No mutual fund scheme shall invest more than 10 percent of its NAV in the equity shares or equity related instruments of any company:

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

14. No term loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall

not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase, redemption of Units or payment of interest or distribution of amount under IDCW Option to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Scheme and the duration of such borrowing shall not exceed a period of six months.

15. If any company invests more than 5 percent of the NAV of any of the Scheme, investment made by that or any other Scheme of the Mutual Fund in that company or its subsidiaries will be disclosed in accordance with the SEBI (MF) Regulations.

16. The Mutual Fund may enter into short selling transactions and may lend and borrow securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.

17.SEBI vide its Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 and dated May 19, 2023 has prescribed the following investment restrictions w.r.t. investment in derivatives.

1. The cumulative gross exposure through equity, derivative positions, specified debt securities, *repo transactions and such other securities/assets as may be permitted by the Board from time to time* shall not exceed 100% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.
2. The Scheme shall not write options or purchase instruments with embedded written options except call options under a covered call strategy.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. 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 (i).
   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.
5. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point (1) above.
6. Definition of Exposure in case of Derivative Positions - Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contract
Short Future	Futures Price * Lot Size * Number of Contract
Option Bought	Option Premium Paid * Lot Size * Number of Contracts

18. No sponsor of a mutual fund, its associate or group company including the asset management company of the fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, have –

a. 10% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund; or
b. representation on the board of the asset management company or the trustee company of any other mutual fund.

19. 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
- The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

Further, such IST shall be in accordance with the SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 as stated below:

AMCs shall have an appropriate Liquidity Risk Management (LRM) Model at scheme level, approved by trustees, to ensure that reasonable liquidity requirements are adequately provided for. Recourse to ISTs for managing liquidity will only be taken after the following avenues for raising liquidity have been attempted and exhausted:

I. Use of scheme cash & cash equivalent
II. Use of market borrowing
III. Selling of scheme securities in the market
IV. After attempting all the above, if there is still a scheme level liquidity deficit, then out of the remaining securities, outward ISTs of the optimal mix of low duration paper with highest quality shall be effected.

The use of market borrowing before ISTs will be optional and the Fund Manager may at his discretion take decision on borrowing in the best interest of unitholders. The option of market borrowing or selling of security as mentioned at II & III above may be used in any combination and not necessarily in the above order. In case the option of market borrowing and/or selling of security is not used, the reason for the same shall be recorded with evidence.

No ISTs of a security shall be allowed, if there is negative news or rumors in the mainstream media or an alert is generated about the security, based on internal credit risk assessment in terms of Paragraph 4.3 of the Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 during the previous four months.

The Compliance Officer, Chief Investment Officer and Fund Managers of transferor and transferee schemes shall satisfy themselves that ISTs undertaken are in compliance with the regulatory requirements.

If security gets downgraded following ISTs, within a period of four months, the Fund Manager of buying scheme has to provide detailed justification /rationale to the trustees for buying such security.

20. The Scheme will comply with any other Regulations applicable to the investment of mutual funds from time to time.

All the investment restrictions will be applicable at the time of making investments. These investment limitations/parameters as expressed (linked to the Net Asset/Net Asset Value/capital) shall, in the ordinary course, apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Mutual Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, the AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unit Holders.

Apart from the Investment Restrictions prescribed under the SEBI (MF) Regulations 1996, internal risk parameters for limiting exposure to a particular Scheme may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.

The Trustee /AMC may alter the above stated limitations from time to time, and also to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make their investments in the full spectrum of permitted investments in order to achieve their investment objective.

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

C. Fundamental Attributes

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations 1996 read with Clause 1.14 of SEBI Master Circular for Mutual Funds dated June 27, 2024:

(i) Type of a scheme : an open ended dynamic asset allocation fund

(ii) Investment Objective : The investment objective of the Scheme is to generate capital appreciation by dynamically allocating its assets between equity and specified debt securities. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved

Investment pattern - Please refer to section I Part II A "How will the Scheme allocate its assets?"

(iii) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption. Please refer to relevant provisions under ' Section G on Other scheme specific disclosure'
- Aggregate fees and expenses charged to the Scheme. Please refer, to Section I - Part III C "Annual Scheme Recurring Expenses"
- Any safety net or guarantee provided – Not applicable for the Scheme.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations 1996 and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal;

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

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

D. **Index methodology (for index funds, ETFs and FOFs having one underlying domestic ETF)-** Disclosures regarding the index, index eligibility criteria, methodology, index service provider, index constituents, impact cost of the constituents: **Not Applicable since the scheme is open ended dynamic asset allocation**

E. **Principles of incentive structure for market makers (for ETFs):** Not Applicable since the scheme is open ended dynamic asset allocation

F. **Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI master circular for mutual funds dated June 27, 2024 (only for close ended debt schemes):** Not Applicable since the scheme is open ended dynamic asset allocation

G. Other Scheme Specific Disclosures:

Listing and transfer of units	**Listing** The Scheme is an open ended equity scheme, sale and repurchase will be made on a continuous basis and therefore listing on a recognized stock exchange is not envisaged. However, the Trustee may at their discretion list the units on any recognized Stock Exchange, post obtaining all requisite regulatory approval and 'in-principle' approval from recognised stock exchange(s) in the manner as specified by the recognised stock exchange(s) from time to time. Further, in case of listing of units of the Scheme, Mutual Fund shall execute an agreement with such stock exchange. **Transferability of units:** Units held by way of demat form or Account Statement (subject to statutory levy and requisite process) can be transferred. The Units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time.
Dematerialization of units	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. The unit holder must mandatorily provide the latest client investor master or demat account statement along with the application form. In case, the unit holder desires to hold the units in a demat/rematerialized form at a later date, 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 directly and not to the AMC or the Registrar and Transfer Agent (RTA) of the Fund. 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 (physical) mode provided the application is otherwise complete in all

	respect and accordingly, an account statement shall be sent to them. Units held in demat form are transferable (except for Equity Linked Savings Scheme) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a valid demat account. Transfer of unit(s) shall be subject to payment of applicable stamp duty by the unitholder(s) and applicable laws. Units will be credited in the demat account only based on fund realization. Further as per SEBI (Mutual Funds) Amendment Regulations, 2021, the asset management company shall issue units in dematerialized form to a unitholder in a scheme within two working days of the receipt of request from the unitholder.
Minimum Target amount (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	Not applicable, since the scheme is an on ongoing scheme
Maximum Amount to be raised (if any)	Not applicable, since the scheme is an on ongoing scheme
Dividend Policy (IDCW)	Under the IDCW option, a certain portion of capital (Equalization Reserve) can be distributed as may be decided by the Trustee from time to time. The amounts can be distributed out of investors capital (Equalization Reserve), which is part of the sale price that represents realized gains. The Mutual Fund is not assuring or guaranteeing that it will be able to make regular periodical distributions of amount to its Unitholders The AMC/Trustee reserves the right to change the frequency or may provide for additional frequency for an amount that will be distributed under IDCW Option. Procedure for distribution of amount under IDCW: In accordance with SEBI circular no. SEBI/IMD/Cir No. 1/64057/06 dated April 4, 2006, the procedure for distribution of amount under

	IDCW would be as under: Quantum of distribution of amount and the record date will be fixed/decided by the Trustee. Amount under this IDCW will be distributed , subject to availability of distributable surplus. Within one calendar day of decision by the Trustees, the AMC shall issue notice to the public communicating the decision including the record date. The record date shall be 2 working days from the date of publication in atleast, one English newspaper or in a newspaper published in the language of the region where the head office of the Mutual Fund is situated, whichever is issued earlier. Record date shall be the date, which will be considered for the purpose of determining the eligibility of Investors whose names appear on the register of Unit holders for receiving amount distributed under IDCW Option. The Record Date will be 2 working days from the date of issue of notice. The notice will, in font size 10, bold, categorically state that pursuant to payment of amount distributed under IDCW Option, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). The NAV will be adjusted to the extent of distribution of amount and statutory levy, if any, at the close of Business Hours on record date. Before the issue of such notice, no communication indicating the probable date of amount that will be distributed to the unitholders in any manner whatsoever will be issued by Mutual Fund.
Allotment (Detailed procedure)	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 allotment will be sent to the Unitholders/investors registered email address and/or mobile number. In cases where the email does not reach the Unitholder/investor, the Fund/its Registrar & Transfer Agents will not be responsible, but the Unitholder/investor can request for a fresh statement/ confirmation. The Unitholder/ investor shall from time to time intimate the Fund/its Registrar & Transfer Agents about any changes in their email address. If the applicant so desires, the AMC shall issue a Unit certificate to the applicant within 5 Business Days of the receipt of request for the certificate. Unit certificate, if issued, must be surrendered along with the request for Redemption/Switch or any other transaction of Units covered therein. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of the Scheme. 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. 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. All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of amount distributed under IDCW Option, if any, as may be declared by the Trustee. The allotment of units is subject to realization of the payment instrument. Units in dematerialised form: 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. The unit holder must mandatorily provide the latest client investor master or demat account statement along with the application form. In case, the unit holder desires to hold the units in a demat/rematerialized form at a later date, 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 directly and not to the AMC or the Registrar and Transfer Agent (RTA) of the Fund. 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 (physical) mode provided the application is otherwise complete in all respect and accordingly, an account statement shall be sent to them. Units held in demat form are transferable (except for Equity Linked Savings Scheme) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a valid demat account. Transfer of unit(s) shall be subject to payment of applicable stamp duty by the unitholder(s) and applicable laws. Units

	will be credited in the demat account only based on fund realization. Further as per SEBI (Mutual Funds) Amendment Regulations, 2021, the asset management company shall issue units in dematerialized form to a unitholder in a scheme within two working days of the receipt of request from the unitholder.
Refund	The AMC will refund the application money to investors whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. The Refund proceeds will be paid by way of NEFT/RTGS/Direct credits/IMPS/ or any other mode allowed by Reserve Bank of India from time to time in addition to the cheque, demand draft or warrants, if sufficient banking details are available with the Mutual Fund for the Unitholder. The AMC may use modes of dispatch such as speed post, courier etc for payments including refund to unitholders in addition to the registered post.
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	This is an indicative list and 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 authorised to purchase units of mutual funds as per their respective constitutions, charter documents, corporate/other authorisations and relevant statutory provisions: 1. Indian 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. Minors 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. Mutual Funds / Alternative Investment Funds registered with SEBI; 9. 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;

	10. Non-Resident Indians (NRIs)/Persons of Indian origin (PIOs) residing abroad on repatriation basis or on non-repatriation basis ; 11. Foreign Portfolio Investors (FPIs) registered with SEBI; 12. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions; 13. Scientific and Industrial Research Organisations; 14. Multilateral Funding Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/RBI; 15. Provident/ Pension/ Gratuity Fund to the extent they are permitted; 16. Other schemes of NJ Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations; 17. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme; 18. Such other individual / institution / body corporate etc. as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with the SEBI Regulations. 19. Investments made in the name of a Minor through a Guardian provided that the Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only. Pursuant to circular no. SEBI/HO/IMD/POD-II/CIR/P/2023/0069 dated May 12, 2023, following changes are carried out in the process applicable for investments made in the name of minor through a guardian: a. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. b. Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities.

	c. For existing folios in the name of the minors, investors are requested to update the bank account in the name of the minor or a joint account of the minor with the parent or legal guardian (wherever applicable) before placing any redemption request. Further, Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. NJAMC shall suspend the Standing Instruction when the minor attains majority. Notes: – ● Non Resident Indians and Persons of Indian Origin residing abroad (NRIs) / FPIs have been granted a general permission by Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations. ● Subject to provisions of SEBI (MF) Regulations, FEMA and other applicable regulations read with guidelines and notifications issued from time to time by SEBI and RBI, investments in the Scheme can be made by various categories of persons as listed above including NRIs, FPIs etc. – ● Provisions relating to FPIs are subject to the repeal and savings provisions provided in the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. The Scheme shall accept subscriptions from NRI / PIO based in the United States (US), along with such declarations / documents / terms and conditions as may be prescribed by NJ Asset Management Private Limited with effect from November 1, 2023, provided that NRIs / PIOs, at the time of such investment are present in India. The NRIs/ PIOs can visit our website or shall approach us to inquire about their eligibility, list of documents to be submitted and all the other formalities prior to making such investments. The AMC reserves the right to either accept/ reject/ refund/ redeem such investments without disclosing any information.
Who cannot invest	Please note that the following persons cannot invest in the Scheme. a. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force

	(FATF), from time to time. b. Other restricted entities / individuals may be imposed by SEBI/ RBI /other relevant regulatory authorities / AMC from time to time. The AMC reserves the right to put the transaction request on hold / reject.
How to Apply and other details	Details regarding- 1. Application form and Key Information Memorandum may be obtained from the Investor Service Centres or downloaded from the website of AMC viz.www.njmutualfund.com 2. Link for the list of official points of acceptance, collecting banker details etc. : Please refer the AMC link at https://distributor.njmutualfund.com/kfintech/contactus 3. For name, address and contact no of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc. refer back cover page. Please note it is mandatory for unitholders to mention their bank account numbers in their applications / requests for redemption. Please refer to the SAI and Application form for the instructions.
Where can you submit the filled up applications.	The unitholder should submit the transaction slip for a purchase / redemption/switch at any of the Designated Investor Service Centres of RTA or AMC branches designated as ISCs. Alternatively, investors may also submit through online mode. Details provided in Section II.
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.	Units once redeemed will be extinguished and will not be reissued.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Units of the Schemes held in demat and non-demat mode may be transferable in line with applicable statutory requirements. In view of the same, additions/deletions of names will not be allowed under any folio of the scheme. However, the said provisions will not be applicable in case a person (i.e. a transferee) becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of satisfactory

	evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the units of the scheme. **RIGHT TO RESTRICT REDEMPTION AND/OR SUSPEND REDEMPTION OF THE UNITS:** The Fund at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan/Option) of the Scheme of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs.2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable to the Redemption/switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs). The Trustee/AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme of the Fund may be imposed are as follows: 1. Liquidity issues-when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or 2. Market failures/Exchange closures; or 3. Operational issues; or 4. If so directed by SEBI. It is clarified that since the occurrence of the above mentioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines (i.e. within 3 Business Days) mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable. Any restriction on Redemption or suspension of Redemption of the Units in the Scheme of the Mutual Fund shall be made applicable

	only after specific approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI. The AMC/Trustee reserves the right to change/modify the provisions of right to restrict Redemption and/or suspend Redemption (including switch-out) of the Units in the Scheme of the Fund. **Freezing / Seizure of Unit holders Accounts:** Investors may note that under the following circumstances the Trustee / AMC may at its sole discretion (and without being responsible and/or liable in any manner whatsoever) freeze/seize a unit holder's account (or deal with the same in the manner the Trustee / AMC is directed and/or ordered) under a Scheme: ● Under any requirement of any law or regulations for the time being in force. ● Under the direction and/or order (including interim orders) issued by any regulatory/statutory authority or any judicial authority or any quasi-judicial authority or such other competent authority having the powers to issue direction and/or order. **Suspension of Sale of the Units:** The Sale of units of the Scheme may be suspended temporarily or indefinitely under any of the following circumstances: ● When one or more stock exchanges or markets, which provides a basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays. ● When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders. ● In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated. ● During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme. ● In case of natural calamities, war, strikes, riots and bandhs. ● In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC. ● During the period of Book Closure. ● When the money markets which provide basis for valuation are closed/not accessible otherwise than for ordinary holidays. ● When the bullion markets in London and forex markets which

	provide basis for valuation are closed otherwise than for ordinary holidays. ● In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s). ● In case of fund of fund schemes, if the underlying scheme suspends sale (including switch-in) of units. ● If so directed by SEBI. (For detailed information please refer Statement of Additional Information)
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.	In accordance with provisions of SEBI circular No. Cir/ IMD/ DF/ 19/ 2010 dated November 26, 2010, SEBI Circular No. IMD/ CIR No. 11/142521/08 dated October 24, 2008 and SEBI Circular SEBI/ IMD/ CIR No.11/ 78450/ 06 dated October 11, 2006 and SEBI circular SEBI/HO/IMD/DF2/CIR/P/2020/175 dated September 17, 2020 and further amendments if any, thereto, the following cut-off timings shall be observed by Mutual Fund in respect of purchase/ redemption/ switches of units of the scheme, and the following NAVs shall be applied in each case: **I. APPLICABLE NAV FOR SUBSCRIPTIONS/ PURCHASE INCLUDING SWITCH-IN OF UNITS:** 1. In respect of valid applications received upto 3.00 p.m on a Business Day at the Designated Investor Service Centre and funds for the entire amount of subscription/purchase / switch -in - as per the application are credited to the bank account of the respective Scheme / the Fund before the cut-off time i.e. available for utilization before the cut-off time - the closing NAV of the day on which the funds are available for utilisation shall be applicable. 2. In respect of valid applications received after 3.00 p.m on a Business Day at the Designated Investor Service Centre and funds for the entire amount of subscription/purchase / switch-in - as per the application are credited to the bank account of the respective Scheme / the Fund before the cut-off time of the next Business Day i.e available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day on which the funds are available for utilisation shall be applicable. 3. Irrespective of the time of receipt of application at the Designated Investor Service Centre where funds for the entire amount of subscription/purchase/ switch-in as per the application are credited to the bank account of the respective Scheme / the Fund before the cut-off time on any subsequent Business Day - i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day on which the funds are available for

	utilisation shall be applicable. **For Switch-ins of any amount:** For determining the applicable NAV, the following shall be ensured: ● Application for switch-in is received before the applicable cut-off time. ● Funds for the entire amount of subscription / purchase as per the switch-in request are credited to the bank account of the Scheme / the Fund before the cut-off time. ● The funds are available for utilization before the cut-off time. ● In case of 'switch' transactions from one scheme to another, the allocation shall be in line with redemption payouts of the switch out scheme. To clarify, for investments through systematic investment such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP) etc. the units will be allotted as per the closing NAV of the day on which funds are available for utilization by the Target Scheme irrespective of the installment date of the systematic investments /triggers/ distribution of amount under IDCW Option record date etc. **II. APPLICABLE NAV FOR REDEMPTIONS INCLUDING SWITCH-OUTS:** ● In respect of valid applications received up to 3.00 p.m., the closing NAV of the day on which the application is received; ● In respect of valid applications received after 3.00 p.m., the closing NAV of the next business day. 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. All transactions received on the same Business Day (as per cut-off timing and Time stamping rule prescribed under SEBI (Mutual Funds) Regulations, 1996 or circulars issued thereunder from time to time).
Minimum amount for purchase / redemption / switches (mention the provisions for ETFs, as may be applicable, for direct subscription / redemption with	<table><tr><th>Purchase including Switch-in</th><th>Additional purchase including switch-in</th><th>Repurchase</th></tr><tr><td>Minimum of Rs. 500/- and in multiples of Rs.1/- thereafter</td><td>Minimum of Rs. 500/- and in multiples of Rs. 1/- thereafter</td><td>There will be no minimum redemption criterion.</td></tr></table> SEBI vide its Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 has,

AMC.	inter alia mandated that prescribed percentage(10%, 15% and 20% as may be applicable) of gross annual CTC net of income tax and any statutory contributions of the Designated Employees of the AMCs shall be invested in units of the scheme(s) of the Fund in which they have a role/oversight. In accordance with the regulatory requirement, the minimum application amount (lump-sum) and minimum redemption amount will not be applicable for investment made in this Scheme in compliance with the aforesaid circular(s).
Minimum balance to be maintained and consequences of non-maintenance	There is no minimum balance requirement.
Accounts Statements	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable. For further details, refer to SAI.
Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024.

Bank Mandate	The Fund proposes to pay redemption proceeds in the following manner: Directly to the bank account of unitholders through Direct Credit/RTGS/NEFT/IMPS: Direct credit facility will be available only with select bankers with whom the Mutual Fund currently has a tie-up in place or will tie-up for such a facility at a later date. As per the directive issued by SEBI, it is mandatory for an investor to declare his/her bank account number and accordingly, investors are requested to give their bank account details in the application form. The Mutual Fund, on a best effort basis, and after scrutinizing the names of the banks where unitholders have their accounts, will instruct the bank for the payment of redemption proceeds to the unitholder's bank account. AMC reserves the right to hold redemption proceeds in case requisite bank details are not submitted.
Delay in payment of redemption / repurchase proceeds / dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024 by SEBI for the period of such delay 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 3 workings days from the date of receipt of the valid redemption/ repurchase application, complete in all respects. Such interest shall be borne by the AMC. Investors shall also be informed about the rate and amount of interest paid to them. However, the AMC shall not be liable to pay any interest or compensation in case of any delay in processing the redemption application beyond 3 working 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 redemption/ repurchase application. The AMC may adhere with guidelines published by AMFI /SEBI for exceptional circumstances under which the scheme is unable to transfer redemption or repurchase proceeds within prescribed timelines.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	Pursuant to SEBI circular no. February 25, 2016 and SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/608 dated July 30, 2021, the unclaimed redemption and dividend amounts, that are currently allowed to be deployed only in call money market or money market instruments, shall also be allowed to be invested in a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. Provided that such schemes where the

	unclaimed redemption and dividend amounts are deployed shall be only those Overnight scheme/ Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per SEBI Circular No. SEBI/HO/IMD/IMD-II/ DOF3/P/CIR/2021/573 dated June 07, 2021. AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50 bps whichever is lower. Accordingly, NJ Asset Management has launched Unclaimed Plan under NJ Overnight Fund for the purpose of deployment of Unclaimed Redemption and Unclaimed Dividend. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The details of such unclaimed redemption/amount distributed under IDCW option are made available to investors upon them providing proper credentials, on the website of Mutual Funds and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same. The redemption or repurchase proceeds shall be dispatched to the unitholders within 3 working days from the date of redemption or repurchase. The information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), shall be separately disclosed to investors through the periodic statement of accounts / Consolidated Account Statement sent to the investors. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts is available on our website www.njmutualfund.com
Disclosure w.r.t investment by minors	Investments made in the name of a Minor through a Guardian provided that the Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only. Pursuant to circular no. SEBI/HO/IMD/POD-II/CIR/P/2023/0069 dated May 12, 2023, following changes are carried out in the process applicable for investments made in the name of minor through a guardian:

	a. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. b. Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities. c. For existing folios in the name of the minors, investors are requested to update the bank account in the name of the minor or a joint account of the minor with the parent or legal guardian (wherever applicable) before placing any redemption request. Further, Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. NJAMC shall suspend the Standing Instruction when the minor attains majority.
Any other disclosure in terms of Consolidated Checklist on Standard Observations	-
Where can applications for subscription / redemption / switches be submitted	Please refer SAI for details.

III. Other Details

A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided : Not Applicable

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

Monthly and Half yearly Portfolio	The AMC will disclose the portfolio of the Scheme (alongwith ISIN) on monthly and half yearly basis on the website of the Mutual Fund and AMFI within 10 days from the close of each month and half year (i.e. 31st March and 30th September) respectively in a user-friendly and downloadable spreadsheet format. Further, AMC shall publish an advertisement in an all India edition of one national English daily newspaper and one Hindi newspaper, every half year, disclosing the hosting of the half-yearly statement of its schemes' portfolio on the website of the Mutual Fund and AMFI and the modes through which unit holder(s) can submit a request for a physical or electronic copy of the statement of scheme portfolio. The unit holders are requested to ensure that their email address is registered with AMC/Mutual Fund. Please refer the AMC website for MonthlyPortfolio: https://downloads.njmutualfund.com/njmf_download.php?nme=127 Half Yearly Portfolio: https://downloads.njmutualfund.com/njmf_download.php?nme=132
Half yearly Results	Mutual Fund/AMC shall within one month from the close of each half year, (i.e. 31st March and on 30th September), host a soft copy of its unaudited financial results on its website www.njmutualfund.com and AMFI's website. Further, the Mutual Fund/AMC shall publish an advertisement disclosing the hosting of such unaudited half yearly financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.
Annual Report	The scheme wise annual report or an abridged summary thereof shall be provided to all Unit holders not later than four months from the date of closure of the relevant accounting year whose email addresses are registered with the Mutual Fund. The physical copies of Scheme wise Annual report will also be made available to the unit holders, at the registered offices at all times. The scheme wise annual report will also

	be hosted on its website www.njmutualfund.com and on the website of AMFI (www.amfiindia.com). The physical copy of the abridged summary shall be provided to the investors without charging any cost, if a specific request through any mode is received from the unit holder. Further, the Mutual Fund/AMC shall publish an advertisement disclosing the hosting of scheme wise annual report on its website www.njmutualfund.com and on the website of AMFI (www.amfiindia.com). Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.
Risk-o-meter	Riskometer shall be evaluated on a monthly basis and Mutual Fund/ AMC shall disclose the Risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. Mutual Fund / AMC shall disclose the risk level of the scheme as on March 31 of every year, along with the number of times the risk level has changed over the year, on their website and AMFI website. Mutual Fund / AMC shall publish the changes on the Riskometer in the Annual Report and Abridged Summary based on the guidelines prescribed by SEBI from time to time. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme. Please refer link for Risk-o-meter: https://downloads.njmutualfund.com/njmf_download.php?nme=67
Scheme Summary Document	The AMC has provided on its website Scheme Summary Document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme Viz Scheme features, Fund Manager details, investment details investment objective, expense ratios, portfolio details etc. Please refer link for Scheme Summary Document https://downloads.njmutualfund.com/downloads.php
Any disclosure in terms of consolidated checklist of standard observations	-

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

The NAV will be calculated and disclosed for every Business Day. The NAVs of the Scheme will be calculated up to two decimals. AMC shall update the NAV on the AMFI website (www. amfiindia.com) and on the website of the Mutual Fund www.njmutualfund.com by 11.00 pm on the day of declaration of the NAV.

If the NAVs are not available before the commencement of business hours of the following day due to any reason, the Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.

D. **Transaction charges and stamp duty**

Transactions charges:

- As first time investors in a Mutual Fund, the distributor may be paid Rs.150/- as transaction charge per subscription of Rs. 10,000/ and above.
- For existing investors in a Mutual Fund, the distributor may be paid Rs.100/- as transaction charge per subscription of Rs. 10,000/- and above.
- In case of SIPs, the transaction charge shall be applicable only if the total commitment through SIPs amounts to Rs. 10,000/ and above. In such cases the transaction charge shall be recovered in 3 - 4 installments.

Stamp Duty:

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @ 0.005% of the transaction value would be levied on applicable mutual fund transactions, with effect from July 1, 2020.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including Reinvestment of Income Distribution cum capital withdrawal option) to the unitholders would be reduced to that extent.

For details please refer SAI.

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

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

Particulars	Resident Investors	Non-Resident Investors	Mutual Fund (registered with SEBI)
Dividend (TDS)#	10%	20%**	Nil
Dividend (Tax Rate)	As per Applicable Tax Rates	20%**	Nil
Capital Gains: Long Term (held for more than 12 months)*	12.5%** without Indexation in case of redemption of units where STT is paid on transfer [u/s 112A]	12.5%** without Indexation in case of redemption of units where STT is paid on transfer [u/s 112A]	Nil
Short Term (held for not more than 12 months)	20%** on redemption of units where STT is paid on transfer (u/s 111A)	20%** on redemption of units where STT is paid on transfer (u/s 111A)	Nil

Notes:

1. Income of the Mutual Fund is exempt from income tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 ('Act').

2. Equity Scheme(s) will also attract Securities Transaction Tax (STT) at applicable rates.

3. Under the terms of the Scheme Information Document, this Scheme is classified as an "Equity oriented fund".

   As per clause (a) of the explanation to section 112A of the Act, an "Equity oriented fund" has been defined to mean a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and,—

   (i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange,—
   (A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and
   (B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and

   (ii) in any other case, a minimum of sixty-five per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognized stock exchange.

   Further it is stated that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

4. If the total income of a resident investor (being individual or HUF) [without considering such Long-term capital Gains / short term capital gains] is less than the basic exemption limit, then such Long-term capital gains/short- term capital gains should be first adjusted towards basic exemption limit and only excess should be chargeable to tax.

5. Non-resident investors may be subject to a separate tax regime / any beneficial tax treatment as per the applicable Tax Treaties, depending upon the facts of the case, satisfaction of certain conditions related thereto and relevant documentation to avail the beneficial tax treatment as per the tax treaty, if any. The same has not been captured above.

6. A rebate of up to Rs. 12,500 is available for resident individuals whose total income does not exceed Rs. 5,00,000. Further, where such investors decide to offer their income for taxation under sub-section (1A) of section 115BAC, the amount of rebate available will increase to Rs. 25,000 where the total income of such resident individuals does not exceed Rs. 7,00,000

**Aggregate long term capital gains exceeding one lakh twenty-five thousand rupees in a financial year, arising from the transfer of units of an 'equity-oriented fund', equity shares and units of business trust are chargeable to tax at 12.5 per cent (plus the applicable surcharge, health and education cess).*

*** Excluding applicable surcharge and cess.*

#Section 206AA and Section 206AB of the Act specifies higher TDS rates in case payee does not have valid PAN and are non-filers of return of income

The information given herein is as per the prevailing tax laws. For further details on taxation, please refer to the Section on Taxation on investing in Mutual Funds in the Statement of Additional Information {SAI}. 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. In view of the individual nature of tax implications, investors are advised to consult their professional tax advisor.

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

H. **List of official points of acceptance:** For details of official points of acceptance, please refer our website at: https://distributor.njmutualfund.com/kfintech/contactus

I. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations For Which Action May Have Been Taken Or Is In The Process Of Being Taken By Any Regulatory Authority :

There are no penalties which are more than 5 lakhs, 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 in the last 5 financial years. Please refer website of the AMC at https://downloads.njmutualfund.com/uploads/Penalties%20and%20Litigations.-20240615073848.pdf

The Scheme Information Document containing details of the Scheme of NJ Mutual Fund, has been approved by the Board of NJ Trustee Private Limited on May 11, 2021. The Trustees have ensured that the scheme approved by them is a new product offered by the Mutual Fund and is not a minor modification of the existing scheme/fund/ product.

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 the Board of Directors of
NJ Asset Management Private Limited

Sd/-
Vineet Nayyar
Director & Chief Executive Officer
DIN: 10690316

Date: November 30, 2024
Place: Mumbai