

## SECTION 1

# NJ VALUE FUND

(An open ended equity scheme following a value investment strategy)

This product is suitable for investors who are seeking\*:

- Capital appreciation over long term
- Investment predominantly in a portfolio of equity and equity related instruments by following a value investment strategy.

\*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 500 TRI:  
**Very High Risk**  
 (As per AMFI Tier I Benchmark)

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

## NAME OF THE MUTUAL FUND

NJ Mutual Fund  
 Head Office: Unit No. 101 A, 1st Floor,  
 Hallmark Business Plaza, Bandra (East),  
 Mumbai - 400051, Maharashtra. Phone:  
 022 - 68940000.  
 Website: [www.njmutualfund.com](http://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 Udyog Nagar 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](http://www.njmutualfund.com)

## NAME OF THE TRUSTEE COMPANY

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

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

New Fund Offer Opens on: July 10, 2026

New Fund Offer Closes on: July 24, 2026

Scheme Re-opens for continuous sale and repurchase on: Within 5 working day from the date of allotment.

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

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

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

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

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 June 9, 2026.

**Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME**

	<b>Title</b>	<b>Description</b>
<b>I.</b>	<b>Name of the Scheme</b>	NJ Value Fund
<b>II.</b>	<b>Category of the Scheme</b>	Value Fund
<b>III.</b>	<b>Scheme type</b>	An open-ended equity scheme following a value investment strategy.
<b>IV.</b>	<b>Scheme code</b>	NJMF/O/E/VAF/26/05/0007
<b>V.</b>	<b>Investment objective</b>	<p>The investment objective of the Scheme is to generate long term capital appreciation by investing predominantly in equity and equity related instruments of companies by following a value investment strategy.</p> <p>However, there is no assurance that the investment objective of the Scheme will be achieved.</p>
<b>VI.</b>	<b>Liquidity / Listing details</b>	<p>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.</p> <p>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.</p> <p>As per SEBI Master Circular for Mutual Funds dated March 20, 2026, the Mutual Fund shall dispatch redemption or repurchase proceeds within 3 working days of receiving a valid Redemption request.</p> <p>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 existing 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.</p> <p>Currently, the scheme is not intended to be listed on any stock exchange.</p>

<b>VII.</b>	<b>Benchmark (Total Return Index)</b>	<p>Tier I Benchmark : Nifty 500 TRI          Tier II Benchmark: Nifty 500 Value 50 TRI</p> <p><b>Justification of Benchmark:</b>  <b>Tier I Benchmark : Nifty 500 TRI</b>          The benchmark has been selected from among those notified by AMFI as first tier benchmarks and which are reflective of the category of the scheme. The Nifty 500 index represents the top 500 companies based on full market capitalization and average daily turnover from the eligible universe. It represents over 95% of the free float market capitalization of the stocks listed on NSE and is a fair representation of the indicative universe of the portfolio of the Scheme.</p> <p><b>Tier II Benchmark: Nifty 500 Value 50 TRI</b>          The Nifty 500 Value 50 TRI is an appropriate Tier II benchmark as it represents the performance of companies exhibiting value characteristics, identified using multiple valuation measures such as earnings yield, book-to-price, sales-to-price, and dividend yield, thereby reflecting an investment approach focused on identifying undervalued stocks. Being derived from the broader Nifty 500 universe, it ensures diversified exposure while maintaining a clear value bias, thereby reflecting the fund’s investment approach.</p> <p>The AMC/Trustee reserves the right to change the benchmark for evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to SEBI Regulations and other prevailing guidelines, if any.</p>
<b>VIII.</b>	<b>NAV disclosure</b>	<p>The AMC will calculate and disclose the first NAV upto two decimal places of the scheme within a period of 5 (five) Business Days from the date of allotment.</p> <p>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 (<a href="http://www.amfiindia.com">www.amfiindia.com</a> ) and on the website of the NJ Mutual Fund <a href="http://www.njmutualfund.com">www.njmutualfund.com</a> by 11.00 pm on every Business day.</p> <p>Further Details in Section II.</p>

IX.	Applicable timelines	<p><b>Timeline for:</b></p> <p><b>Dispatch of redemption proceeds</b>          As per SEBI Master Circular for Mutual Funds dated March 20, 2026, the Mutual Fund shall dispatch the redemption or repurchase proceeds within the maximum period allowed, which is currently 3 working days from the date on which the redemption request is successfully processed subject to exceptional situations and additional timelines for redemption payments provided by AMFI vide its letter no. AMFI/35P/MEM-COR/74/ 2022-23 dated January 16, 2023.</p> <p>The AMC may use electronic modes to pay redemption proceeds or may use other modes for dispatch the redemption proceeds such as speed post, courier etc. for payments in addition to the registered post with acknowledgement due.</p> <p><b>Dispatch of IDCW (if applicable) etc.:</b>          The IDCW warrants/cheque/demand draft shall be dispatched to the Unit Holders within 7 working days from the record date.</p> <p>Interest for the period of delay in transfer of redemption or repurchase or IDCW shall be payable to unitholders at the rate of 15% per annum or such other rate as may be prescribed by SEBI from time to time, along with the proceeds of redemption or repurchase or IDCW, as the case may be. Such Interest shall be borne by AMCs.</p>
X.	Plans and Options Plans/Options and sub options under the Scheme	<p><b>Plans:</b></p> <ol style="list-style-type: none"> <li>1. Regular Plan</li> <li>2. Direct Plan</li> </ol> <p><b>Option under each Plan(s)</b></p> <ol style="list-style-type: none"> <li>1. Growth Option and</li> <li>2. Payout of Income Distribution cum Capital withdrawal Option* (IDCW)</li> </ol> <p>*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. The AMC reserves the right to declare the dividend at its own discretion.</p> <p><b>Default Option:</b> Growth.          In case of valid application received without indicating choice between options under the scheme.</p>

		<p><b>Default Plan:</b> Investors are requested to note the following scenarios for the applicability of “Direct Plan or Regular Plan” for valid applications received under the Scheme:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct Plan</td> <td>Direct Plan</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td>Regular Plan</td> <td>Direct Plan</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td>Direct Plan</td> <td>Direct Plan</td> </tr> <tr> <td>5</td> <td>Direct Plan</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>6</td> <td>Direct Plan</td> <td>Regular Plan</td> <td>Direct Plan</td> </tr> <tr> <td>7</td> <td>Mentioned</td> <td>Regular Plan</td> <td>Regular Plan</td> </tr> <tr> <td>8</td> <td>Mentioned</td> <td>Not mentioned</td> <td>Regular Plan</td> </tr> </tbody> </table> <p>For detailed disclosure on default plans and options, kindly refer SAI.</p> <p>The AMC reserves the right to introduce a new option/investment Plan at a later date, subject to the SEBI (MF) Regulations, 2026. The AMC also reserves the right to discontinue /withdraw any option/investment plan, if deemed fit, after taking approval of the Board of Directors of AMC and Trustee.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct Plan	Direct Plan	3	Not mentioned	Regular Plan	Direct Plan	4	Mentioned	Direct Plan	Direct Plan	5	Direct Plan	Not mentioned	Direct Plan	6	Direct Plan	Regular Plan	Direct Plan	7	Mentioned	Regular Plan	Regular Plan	8	Mentioned	Not mentioned	Regular Plan
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<b>XI.</b>	<b>Load Structure</b>	<p><b>Exit Load: Nil</b></p> <p>The AMC has a right to modify the load structure with prospective effect subject to a maximum prescribed under the Regulations. For any change in load structure the AMC will issue an addendum and display it on the website/Investor Service Centres.</p>																																				
<b>XII.</b>	<b>Minimum Application Amount/switch in</b>	<p><b>During NFO :</b> Rs. 500/- and in multiples of Re. 1/- thereof.</p> <p><b>On a continuous basis:</b> Rs. 500/- and in multiples of Re. 1/- thereof.</p>																																				
<b>XIII.</b>	<b>Minimum Additional Purchase Amount</b>	Rs. 500/- and in multiples of Re. 1/- thereof.																																				
<b>XIV.</b>	<b>Minimum Redemption/switch out amount</b>	<p><b>Minimum Redemption amount:</b></p> <p>In case of partial redemption, the minimum redemption amount is Rs. 1 and above. In case of full redemption, there shall be no minimum redemption criteria.</p>																																				

		<p><b>Minimum switch out amount:</b> Will be as per the minimum subscription / application amount in the respective scheme which may have been opted by the Investor for switching the units/amount where the switch facility is available.</p>
<b>XV.</b>	<p><b>New Fund Offer Period:</b> This is the period during which a new scheme sells its units to the investors.</p>	<p>NFO Open on: July 10, 2026 NFO Closes on: July 24, 2026</p> <p>Minimum duration to be 3 working days and will not be kept open for more than 15 calendar days. Any change in dates will be published through notice on the AMC website i.e. <a href="http://www.njmutualfund.com">www.njmutualfund.com</a> The AMC reserves the right to extend the closing date, subject to the condition that the NFO subscription list shall not be kept open for more than 15 calendar days.</p>
<b>XVI.</b>	<p><b>New Fund Offer Price:</b> This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>The units being offered will have a face value of Rs. 10 /- per unit.</p>
<b>XVII.</b>	<p><b>Segregated portfolio/side pocketing disclosure</b></p>	<p>Yes, the Scheme has provision for segregated portfolio. For details kindly refer SAI.</p>
<b>XVIII.</b>	<p><b>Swing pricing disclosure</b></p>	<p>The Scheme does not have provisions for swing pricing.</p>
<b>XIX.</b>	<p><b>Stock lending/short selling</b></p>	<p>The scheme may engage in stock lending / short selling subject to percentage as specified in asset allocation. For details, kindly refer SAI.</p>
<b>XX.</b>	<p><b>How to Apply and other details</b></p>	<p>Investors can undertake transactions in the Schemes of NJ Mutual Fund either through <b>physical or electronic mode</b> 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.</p> <p><b>Physical Transactions:</b> 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. <a href="http://www.njmutualfund.com">www.njmutualfund.com</a></p> <p><b>Online / Electronic Transactions / Stock Exchanges / Channel Partner Platform:</b> Investors can undertake transactions via electronic mode including through the various online facilities offered by the AMC or can also undertake transactions through</p>

		<p>stock exchanges, channel partners platform etc.</p> <p><b>Designation of MFCentral as Official Point of Acceptance:</b>  Pursuant to SEBI Master circular on Mutual Funds dated March 20, 2026 on Registrar &amp; 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).</p> <p>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 &amp; 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 <a href="https://mfcentral.com">https://mfcentral.com</a> 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.</p> <p>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.</p> <p><b>Acceptance of Financial Transitions through email in respect of Non-Individual Investors:</b></p> <p>The AMC will accept transaction requests through email ID i.e. <a href="mailto:transaction@njgroup.in">transaction@njgroup.in</a> and accordingly Email server of the AMC shall be considered as an Official Point of Acceptance of Transaction (OPAT).</p> <p>For more details refer to Section II.</p>
XXI.	Investor services	<p><b>Contact details for general service requests:</b></p> <p>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 1860 500 2888 / 040-49763510 or email at <a href="mailto:customercare@njmutualfund.com">customercare@njmutualfund.com</a> . 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</p>

		<p>grievances promptly.</p> <p><b>Contact details for complaint resolution:</b>          Please note that the AMC has appointed Mr. Raja Ballapuram, as Investor Relations Officer.</p> <p>Investor can contact at the following for any complaints/query:          Address: Unit No. 101A, 1st Floor, Hallmark Business Plaza, Bandra (East), Mumbai - 400051, Maharashtra.          Phone No. : 1860 500 2888 / 040-49763510          email: customercare@njmutualfund.com</p> <p><b>Complaint through SCORES platform:</b>          Further, Investors can register their complaint by registering themselves on <a href="https://scores.sebi.gov.in">https://scores.sebi.gov.in</a> 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.</p> <p><b>Complaint through Online Dispute Resolution mechanism:</b>          Investors can also register their complaint through the Online Dispute Resolution mechanism at <a href="https://smartodr.in/login">https://smartodr.in/login</a> 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.</p>
XXII.	<b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/ close ended schemes) (as applicable)</b>	Not Applicable
XXIII.	<b>Special product/facility available during the NFO and on ongoing basis</b>	<p><b>A. SYSTEMATIC INVESTMENT PLAN (SIP) :</b></p> <p>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</p>

		<p>met:</p> <table border="1" data-bbox="585 259 1404 501"> <thead> <tr> <th>Frequency</th> <th>Minimum Investment Amount</th> <th>Minimum Installment</th> <th>Date</th> </tr> </thead> <tbody> <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> </tbody> </table> <p><b>SIP Top- Up Facility:</b>            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 Re. 1/- .</p> <p><b>SIP Pause / SIP Cancellation facility:</b>            Under this facility, an investor has an option to stop his SIP temporarily (at an SIP Registration level) for a minimum of 1 month and maximum of 6 months. 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. SIP Pause is eligible for SIP's which have completed 6 months of tenure. This facility can be availed only twice in the tenure of the existing SIP.</p> <p><b>Corporate Systematic Investment Plan (C-SIP)</b>            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. 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.</p> <p>All other terms and conditions applicable to the Systematic Investment Plan (SIP) facility shall apply mutatis mutandis to this facility. The AMC reserves the right to change or modify the terms and conditions/ Add or delete any of the eligible schemes offered through this facility from time to time/ withdraw the facility.</p>	Frequency	Minimum Investment Amount	Minimum Installment	Date	Monthly	Rs. 100/- and in multiple of Re. 1/-	6	any day between 1 to 28
Frequency	Minimum Investment Amount	Minimum Installment	Date							
Monthly	Rs. 100/- and in multiple of Re. 1/-	6	any day between 1 to 28							

**Choti SIP:**

NJ Value Fund is an eligible scheme for Choti SIP.

- The investor must not have previously invested in mutual funds (SIP "Systematic Investment Plan"/Lumpsum) at the industry level.
- SIP ticket size should be INR 250/- only restricted to a total three SIP's per investor, one each in upto 3 Asset Management Companies.
- Investments must be under the Growth Option.
- Minimum commitment of 60 installments is required at the time of registration.
- Early withdrawals of the instalments shall not be restricted and exit load shall be applicable as per the Load Structure of the scheme.
- SIP frequency is Monthly.
- SIP investment payment is currently allowed to be made through NACH option only.
- If the investor does not meet the eligibility criteria for CHOTI SIP, the SIP will not be registered under CHOTI SIP, it will be processed as a normal SIP.

All other terms and conditions applicable to the Systematic Investment Plan (SIP) facility shall apply mutatis mutandis to this facility. The AMC reserves the right to change or modify the terms and conditions/ Add or delete any of the eligible schemes offered through this facility from time to time/ withdraw the facility.

**B. SYSTEMATIC WITHDRAWAL PLAN (SWP):**

This facility enables the Unit holders to withdraw fixed sum from their investments 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. This facility is available in the growth option. SWP 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, SWP would not be applicable in case of insufficient balance under the source Scheme.

Frequency	Minimum Withdrawal 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.

		<p><b>C. SYSTEMATIC TRANSFER PLAN (STP):</b></p> <p>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:</p> <table border="1" data-bbox="596 728 1418 1104"> <thead> <tr> <th>Frequency</th> <th>Minimum Transfer Amount</th> <th>Minimum Installment</th> <th>Date *</th> </tr> </thead> <tbody> <tr> <td>Monthly</td> <td>Rs. 500/- and in multiple of Re. 1/- thereafter</td> <td>6</td> <td>any day between 1 to 28</td> </tr> <tr> <td>Daily</td> <td>Rs. 500/- and in multiple of Re. 1/- thereafter</td> <td>12</td> <td>All Business days</td> </tr> </tbody> </table> <p>*Next business day if the date falls on a non-business day.</p> <p>For further details of above special products/facilities, kindly refer to SAI.</p>	Frequency	Minimum Transfer Amount	Minimum Installment	Date *	Monthly	Rs. 500/- and in multiple of Re. 1/- thereafter	6	any day between 1 to 28	Daily	Rs. 500/- and in multiple of Re. 1/- thereafter	12	All Business days
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<b>XXIV.</b>	<b>Weblink</b>	<p><b>TER for last 6 months / Daily TER:</b>  <a href="https://downloads.njmutualfund.com/njmf_download.php?nme=564">https://downloads.njmutualfund.com/njmf_download.php?nme=564</a></p> <p><b>Scheme Factsheet:</b>  <a href="https://downloads.njmutualfund.com/downloads.php">https://downloads.njmutualfund.com/downloads.php</a></p>												

## **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, 2026 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) 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, 2026 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that the NJ Value 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: June 09, 2026**

**Place: Mumbai**

**Name: Vineet Nayyar**

**Designation: Director and Chief  
Executive Officer**

## PART II. INFORMATION ABOUT THE SCHEME

### A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

An Asset allocation of the Scheme and indicative exposure level in percentage terms under normal circumstances:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity and Equity related instruments of companies selected based on value investment strategy	80%	100%
Equity and Equity related instruments of companies other than value investment strategy	0%	20%
Money market instruments, other liquid instruments, InvITs, Gold and Silver instruments and other permissible securities approved by SEBI from time to time	0%	20%

As per Clause 13.13 of SEBI Master Circular for Mutual Funds dated March 20, 2026, any investment made by the scheme in REITs shall be considered as investment in equity related instruments

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

Sl. no	Type of Instrument	Percentage of exposure	Master Circular references
1	Equity derivatives for non-hedging purposes	50% of the net assets of the scheme	Clause 13.15 & 13.18 of SEBI Master Circular for Mutual Funds dated March 20, 2026
2	Equity derivatives for hedging purposes	50% of the net assets of the scheme	Clause 13.15 & 13.18 of SEBI Master Circular for Mutual Funds dated March 20, 2026
3	Covered Call Strategy	As per regulatory limit	Clause 13.15 of SEBI Master Circular for Mutual Funds dated March 20, 2026
4	Money Market instruments	Upto 20% of the net asset	Clause 3.7.2 and 3.8 of SEBI Master Circular for Mutual Funds dated March 20, 2026
5	Liquid Instruments	Upto 20% of the net asset	Clause 3.7.2 and 3.8 of SEBI Master Circular for Mutual Funds dated March 20, 2026

6	Gold ETF	Upto 5% of net assets	<p>Clause 3.7.2 and 3.8 of SEBI Master Circular for Mutual Funds dated March 20, 2026.</p> <p>The percentage allocation will be reviewed to align with the regulatory limit once the global crisis settles.</p>
7	Silver ETF	Upto 20% of net assets	Clause 3.7.2 and 3.8 of SEBI Master Circular for Mutual Funds dated March 20, 2026
8	InvITs	<p>a) Upto 10% of its NAV in the units of InvITs</p> <p>b) Upto 5% of its NAV in the units of InvITs at single issuer level.</p>	Clause 13.13 of SEBI Master Circular for Mutual Funds dated March 20, 2026
9	Units of Mutual Funds	5% of net asset value of NJ Mutual Fund.	Clause 34 of the Sixth Schedule of the SEBI (Mutual Funds) Regulations, 2026 and Clause 13.14 of SEBI Master Circular for Mutual funds dated March 20, 2026
10	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 13.7 of SEBI Master Circular for Mutual Funds dated March 20, 2026
11	Securities Lending and borrowing and short selling	The scheme will not deploy more than 20% of the net assets of the Scheme in securities lending and Not more than 5% of the net assets of the scheme will be deployed with any single intermediary	Clause 13.6 of SEBI Master Circular for Mutual Funds dated March 20, 2026
12	Overseas securities (including ADR and GDR)	Nil	-
13	Securitized Debt	Not Applicable	Clause 3.7.2 and 3.8 of SEBI Master Circular for Mutual Funds dated
14	Debt Instruments with special features (AT1 and AT2 Bonds)	Not Applicable	Mutual Funds dated

15	Debt instruments having Credit Enhancement / Structured Obligations	Not Applicable	March 20, 2026
16	Credit Default Swap transactions	Not Applicable	

Pursuant to 7.24 of SEBI Master Circular dated March 20, 2026 on Timelines for deployment of funds collected by AMC's in NFO as per asset allocation of the scheme, the Scheme is required to adhere the following:

- (a) The Scheme intends to deploy the Fund within 30 business days from the date of allotment as per the specified asset allocation.
- (b) The AMC shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units.
- (c) In an exceptional case, if the AMC is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee of the AMC.
- (d) The Investment Committee may extend the timeline by 30 business days, while also making recommendations on how to ensure deployment within 30 business days going forward and monitoring the same. The Investment Committee shall examine the root cause for delay in deployment before granting approval for part or full extension. The Investment Committee shall not ordinarily give part or full extension where the assets for any scheme are liquid and readily available.
- (e) Trustees shall monitor the deployment of funds collected in NFO and take steps, as may be required, to ensure that the funds are deployed within a reasonable timeframe
- (f) In case the funds are not deployed as per the asset allocation mentioned in the SID within the aforesaid mandated plus extended timelines, AMC shall:
  - (i) not be permitted to receive fresh flows in the same scheme till the time the funds are deployed as per the asset allocation mentioned in the SID.
  - (ii) not be permitted to levy exit load, if any, on the investors exiting such scheme(s) after 60 business days of not complying with the asset allocation of the scheme.
  - (iii) inform all investors of the NFO, about the option of an exit from the concerned scheme without exit load, via email, SMS or other similar mode of communication
  - (iv) report deviation, if any, to Trustees at each of the above stages.
- (g) To effectively manage the fund flows in NFO, the fund manager may extend or shorten the NFO period, based on his view of the market dynamics, availability of assets and his ability to deploy funds collected in NFO. However, the same shall be subject to compliance with Paragraph 1.7.1 of Master Circular dated March 20, 2026.

In terms of Paragraph 13.18.1 of SEBI Master Circular for Mutual Funds dated March 20, 2026, the cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the SEBI from time to time shall not exceed 100% of the net assets of the scheme.

### **Portfolio Rebalancing & Change in Investment Pattern**

Subject to the SEBI (MF) Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders

### **Portfolio Rebalancing due to passive breaches:**

As per SEBI Master Circular for Mutual Funds dated March 20, 2026, and SEBI Circulars as amended from time to time, in the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) or various prudential limits prescribed by the SEBI, inter-alia, including issuer limits, sector limits, group limits or any other investment restriction prescribed under SEBI Regulations or circulars, due to passive breaches (i.e., occurrences of instances not arising out of omission or commission of the AMC), the Fund Manager shall rebalance the portfolio of the Scheme within thirty (30) Business Days from the date of such 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, 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. The reporting to Trustee shall be initiated immediately after the expiry of the mandated rebalancing period (i.e. 30 business days).
- ii. In case the AUM of deviated portfolio is more than 10% of the AUM of main portfolio of scheme AMC shall immediately after the expiry of the mandated rebalancing period (i.e. 30 business days):
  1. Disclose the same to the investors through SMS and email / letter including details of portfolio not rebalanced.
  2. 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 or prescribed prudential limits.
- iii. Scheme wise deviation of the portfolio, beyond the specified limits, from the mandated asset allocation beyond 30 business days shall also be disclosed on the website of the AMC
- iv. AMCs shall disclose any deviation from the mandated asset allocation or prescribed prudential limits 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.

**Portfolio Rebalancing due to Short Term Defensive Consideration:**

Any alteration in the investment pattern will be for a short term on defensive considerations as per para 1.9.1 (b) of SEBI Master Circular for Mutual Funds dated March 20, 2026; 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 or such other timeline as may be prescribed by SEBI from time to time.

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?**

The below list includes only a list of all instruments in which the scheme will invest.

1. Equity Shares and equity related instruments which include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives (including future and options or such other instruments as may be permitted from time to time), Real Estate Investment Trusts ("REITs") and such other instruments as may be specified by the SEBI from time to time.;
2. The scheme may invest residual portions in equity, money market instruments and other liquid instruments, gold and silver instruments as permitted by the SEBI and in InvITs, subject to the ceilings laid out in MF Regulations with respect to the respective asset class. Accordingly, the scheme may invest in the following instruments :
  - a.money market instruments" includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India;
  - b.Liquid instruments as permitted for equity schemes from time to time.
  - c.Gold and Silver Instruments
  - d. Infrastructure Investment Trusts (InvITs),
3. Units of Mutual funds as may be permitted by SEBI regulation
4. Pending deployment of the Scheme shall be invested in short -term Deposit as per SEBI circular issued in this regard from time to time.
5. Securities Lending as may be permitted by SEBI
6. Any other instruments as 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.

The scheme shall not invest in the below securities:

1. Overseas securities (including ADR and GDR)
2. Securitized Debt
3. Debt Instruments with special features (AT1 and AT2 Bonds)
4. Debt instruments having Credit Enhancement / Structured Obligations
5. Credit Default Swap transactions

For detailed definition and applicable regulations/guidelines for each instrument refer to Section II

### **C. WHAT ARE THE INVESTMENT STRATEGIES?**

The investment objective of the Scheme is to generate long-term capital appreciation by predominantly investing in equity and equity-related instruments of companies that are assessed to be trading at a meaningful discount to their intrinsic value, based on rule-based value factor methodology.

The strategy is rooted in Factor-based investing, an investment approach that targets specific, well-defined stock characteristics — such as value, quality, low volatility, or momentum — that have been identified through extensive empirical research to drive long-term risk-adjusted returns. Within this broad philosophy, the Scheme focuses specifically on the Value factor.

Value investing is a strategy that seeks to identify companies whose current market price does not fully reflect the underlying worth of their business — often because of short-term sentiment, business cyclicalities, or temporary headwinds. It relies on the principle that markets periodically underprice securities and that prices tend to correct toward fair value over a sufficient time horizon. This tendency toward mean-reversion forms the foundation of the value thesis.

The Scheme employs a rule-based active investment framework driven by proprietary protocols designed to identify securities exhibiting strong value attributes. The value strategy is mathematically and quantitatively constructed to identify potential investment opportunities where a company's market price appears significantly lower than what its underlying fundamentals justify.

The proprietary model may evaluate value through various indicative measures such as Price-to-Earnings (P/E), Price-to-Book Value (P/B), EV/EBITDA, Market Capitalisation-to-Sales, free cash flow yield, dividend yield, and Discounted Cash Flow (DCF)-based intrinsic value estimates, and other parameters as may be identified by AMC from time to time. These parameters may be assessed in relation to the company's own historical levels, its peer group, and the broader market, etc.

While the scheme follows value factor based strategy, the Scheme also applies quality-based filters as an integral part of the portfolio construction process. These filters are designed to screen out companies with weak fundamental characteristics — a critical safeguard against value traps. Parameters assessed include, but are not limited to, Return on Equity (ROE), Return on Assets (ROA), leverage levels, cash flow stability, sales growth, and earnings growth. Only companies that demonstrate an acceptable quality threshold, in addition to meeting valuation criteria, are considered for inclusion in the portfolio.

A low valuation does not always indicate a mispriced stock — it may also reflect genuine business or structural risks that impair a company's ability to recover to fair value. To address this, the strategy may incorporate a systematic risk scoring framework to assess each company's risk profile, going beyond valuation alone. Additionally, stock-level volatility filters may be applied alongside valuation assessment to ensure that only companies with a reasonable risk-reward profile are considered for inclusion. Together, these controls are designed to distinguish between genuinely undervalued companies and those carrying risks that may prevent value realisation.

Within the identified universe of undervalued securities, indicators of improving price trend or strengthening earnings trajectory may be used as additional confirmatory inputs prior to initiating a position. Such signals are intended to improve entry timing and portfolio conviction and do not constitute a primary criterion for security selection.

The fund is designed for investors with a long-term horizon and a moderate-to-high risk appetite for e.g.

investors with an investment horizon for at least 5 years who are willing to participate in a systematic, valuation-driven strategy.

**Primary Risks:** A key risk associated with value investing is the Value Trap, where a stock appears cheap but fails to recover because the underlying business continues to deteriorate or the trigger for value realisation does not materialise within a reasonable timeframe. The longer the market takes to correct a mispricing, the greater the holding risk and opportunity cost. Furthermore, value-oriented strategies may experience meaningful cycles of underperformance in the short to medium term — particularly during periods when growth or momentum themes dominate market sentiment. During such phases, a value portfolio may deliver returns below the broader market benchmark for an extended period, even when the underlying investment thesis remains sound. Investors are advised to maintain a sufficiently long investment horizon to allow the value thesis to play out. The strategy's integration of quality filters and risk scoring is specifically aimed at mitigating these risks and improving risk-adjusted returns over time.

The portfolio is reviewed on a regular basis, and changes are made based on definite signals indicated by the proprietary model. While the approach is predominantly model-driven to ensure a systematic and unbiased process, the Investment Committee may exercise discretion in certain specific situations to ensure investment decisions remain aligned with the Scheme's objective. As markets evolve and data research becomes more sophisticated, the AMC retains the flexibility to modify or add to these factors, variables, and rules to better capture value opportunities and smoothen the return profile.

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 therefrom and calculated as a percentage of the average assets under management of the Scheme during a specified period of time.

The Scheme is an open-ended scheme. It is expected that there would be a number of subscriptions and redemptions on a daily basis. Further, given that the Scheme follows a rule based Value strategy, the fund manager is required to rebalance the portfolio, based on outcome of model, potentially leading to higher churn. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

There may be an increase in transaction cost such as brokerage paid, if trading is done frequently. Frequent trading may increase the profits which will offset the increase in costs. The fund manager will endeavor to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. However, it is difficult to estimate with reasonable accuracy, the likely turnover in the portfolio of the Scheme. The Scheme has no specific target relating to portfolio turnover.

#### **D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

##### **Tier I benchmark: NIFTY 500 TRI.**

The Board adopted Benchmarks for comparing the performance of the Scheme as **NIFTY 500 TRI**. The benchmark has been selected from among those notified by AMFI as first tier benchmarks and which are reflective of the category of the scheme. The Nifty 500 index represents the top 500 companies based on full market capitalization and average daily turnover from the eligible universe. It represents over 95% of the free float market capitalization of the stocks listed on NSE and is a fair representation of the indicative universe of the portfolio of the Scheme. 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.

**Tier II benchmark: Nifty 500 Value 50 TRI**

The **Nifty 500 Value 50 TRI** is an appropriate Tier II benchmark as it represents the performance of companies exhibiting value characteristics, identified using multiple valuation measures such as earnings yield, book-to-price, sales-to-price, and dividend yield, thereby reflecting an investment approach focused on identifying undervalued stocks. Being derived from the broader Nifty 500 universe, it ensures diversified exposure while maintaining a clear value bias, thereby reflecting the fund’s investment approach.

**E. WHO MANAGES THE SCHEME?**

<b>Name, Age and Educational Qualification</b>	<b>Total number of years' experience</b>	<b>Experience of the Fund Manager (last 10 years)</b>	<b>Name of the schemes under management</b>
Mr. Viral Shah Age: 48 years Educational Qualifications: B.E. MBA(Finance)	24 years	i. Managing the scheme since: Not applicable as the scheme is new ii. Last 10 year experience - NJ Asset Management Private Limited (From September 2009 to till date)	NJ Balanced Advantage Fund, NJ ELSS Tax Saver Scheme, NJ Flexi Cap Fund, NJ Arbitrage Fund and NJ Overnight Fund
Mr. Dhaval Patel Age: 46 years Education Qualification: Master in Computer Applications	22 years	i. Managing the scheme since: Not applicable as the scheme is new 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 Balanced Advantage Fund, NJ Arbitrage Fund, NJ ELSS Tax Saver Scheme, NJ Flexi Cap Fund and NJ Overnight Fund.

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

NJ Value Fund is an open-ended equity scheme following a value investment strategy. Differentiation is as follows:

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

<b>Sr. No.</b>	<b>Name of the Scheme</b>
1	NJ ELSS Tax Saver Scheme
2	NJ Flexi Cap Fund

b. Please refer to the AMC website for a detailed comparative table justifying that NJ Value Fund is different from the existing schemes of NJ Mutual Fund.

[https://downloads.njmutualfund.com/njmf\\_download.php?nme=978](https://downloads.njmutualfund.com/njmf_download.php?nme=978)

**G. HOW HAS THE SCHEME PERFORMED (if applicable)**

This is a new scheme and does not have any performance track record.

**H. ADDITIONAL SCHEME RELATED DISCLOSURES**

i. Scheme’s portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors ):  
**Not applicable as it is a new scheme**

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 : **Not applicable** .

iii. Functional website link for Portfolio Disclosure - Fortnightly/Monthly: **Not applicable as it is a new scheme**

iv. Functional website link to the respective addendums to the SID after the last update of SID:  
<https://downloads.njmutualfund.com/downloads.php>

v. Portfolio Turnover Ratio: **Not applicable as it is a new scheme**

vi. Aggregate investment in the Scheme by:

Sr. No.	Category of Persons	Net Value		Market Value ( in Rs.)
		Units	NAV per unit	
1	Concerned scheme’s Fund Manager(s)	Units	NAV per unit	
<b>Not applicable as it is a new scheme</b>				

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

vii. Investments of AMC in the Scheme: **Not applicable as it is a new scheme**

AMC may invest in the scheme based on the risk associated with the scheme as specified in para 7.13 of SEBI Master circular dated March 20, 2026 read with AMFI Best Practice Guidelines Circular 135/BP/100/2022-23 dated 26th April 2022 and any other circulars issued thereunder, from time to time. In addition to investments as mandated above, the AMC may invest in the Scheme subject to the SEBI(MF) Regulations. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme. Further, the details of investment of AMC in the scheme can be viewed on the weblink:  
<https://downloads.njmutualfund.com/downloads.php>

### 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.

$$\text{NAV(in Rs. terms)} = \frac{\text{Market or Fair value of Scheme's Investments} + \text{Current Assets} - \text{Current Liabilities and Provision}}{\text{No. of units outstanding under Scheme on the Valuation date}}$$

No. of units outstanding under Scheme on the Valuation date

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:  $\frac{10,45,34,345}{1,00,00,000} = \text{Rs. } 10.45$

### **Methodology for calculation of sale and re-purchase of units**

#### **Ongoing Price for subscription (purchase)/ switch-in (from other schemes/ plans of the mutual fund) by investors. (This is the price you need to pay for purchase/ switch-in):**

Assumed NAV- Rs. 11.00 per unit  
Exit Load: 1%

The Sale Price for a valid purchase will be Applicable NAV  
i.e. Sale Price = Rs. 11.00

Charges and other expenses, if any, borne by the investors have not been considered in the above illustration.

#### **Ongoing Price for redemption (sale)/ switch-outs (to other schemes/plans of the mutual fund) by investors. (This is the price you will receive for redemptions/ switch-outs):**

The Repurchase Price for a valid repurchase will be the applicable NAV reduced by any exit load (say 1%). i.e. Repurchase Price = Applicable NAV × (1 – Exit Load, if any).

For a valid repurchase request where the applicable NAV is Rs. 11.00, the repurchase price will be:

$$= 11.00 - (11.00 \times 1.00\%)$$

$$= 11.00 - 0.11$$

$$= \text{Rs. } 10.89$$

Charges and other expenses, if any, borne by the investors have not been considered in the above illustration.

The Mutual Fund will ensure that the repurchase price shall not be lower than 97% 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**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid, marketing and advertising, registrar expenses, printing and stationary, bank charges etc. NFO expenses shall be borne by the AMC and will not be charged to the 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 2.10% of the daily net assets of the scheme shall be charged to the scheme as Base expenses ratio. Base Expense Ratio shall be charged as per the slab provided under the regulation depending on the asset under management of the Scheme and the same is provided below in this Section.

For the actual current expenses being charged, the investor shall refer to the website of the mutual fund.

<b>Expense Head</b>	<b>% p.a. of daily Net Assets* (Estimated p.a.)</b>
Investment Management & Advisory Fee	Upto 2.10%
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including fees, commission and charges towards distribution of mutual fund schemes	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education, awareness and financial inclusion#	
Brokerage cost incurred towards execution of trades in addition to limit prescribed in regulation 66 (9)	
Cost of statutory advertisements	
Such other expenses as specified under regulation 66 of SEBI (Mutual Funds) Regulation 2026 or approved by the SEBI from time to time.	
<b>Maximum Base Expenses Ratio (BER) permissible under regulation 66 (7) (C)</b>	2.10%
Statutory levies (including GST) on all expenses excluding brokerage and transaction cost	GST of 18% or any other rate as may be levied from time to time on the Taxable /Invoice/ Contract amount. Additionally, levies such as Stamp Duty, STT etc. will be charged on Turnover/transaction value of securities which will be at prescribed rates.
Statutory levies (including GST) on brokerage and transaction cost	
Brokerage cost incurred towards execution of trades as per regulation 66 (9)	At actuals
Transaction cost for the purpose of execution of trade as per regulation 66 (10)	

#Pursuant to provision 11.9.1. master circular for dated March 20, 2026, within the maximum base expense ratio limits specified for mutual fund schemes under Regulation 66(7), AMCs shall annually set apart the 0.02% of daily net assets of the Scheme for investor education, awareness and financial inclusion initiatives.

**#Additional incentives to distributors for onboarding new individual investors from B-30 cities and women investors:** Pursuant to provision 11.6 of SEBI Master Circular for Mutual Funds dated March 20, 2026 read with AMFI Implementation Standards 35P/MEM-COR/89/2025-26 dated December 27, 2025 as amended from time to time, effective March 1, 2026 additional incentives to distributors for mobilizing new investment/inflows from new individual investors (new PAN) from B-30 cities and new women individual investors (new PAN) from both T-30 and B-30 cities at the Mutual Fund industry level shall be paid from amount mandated to be set apart annually for investor education, awareness and financial inclusion initiatives, subject to adequate claw back provisions as per the terms and condition as mentioned therein. For detailed methodology for determination of additional incentive, please refer to SAI.

**Limit for Base Expense ratio as prescribed under regulation 66(7) (C) of SEBI (Mutual Funds), Regulation 2026 is as follows :**

Asset under management Slab (in Rs. crores)	Base Expense ratio
on the first Rs. 500 crores of the daily net assets.	2.10%
on the next Rs. 250 crores of the daily net assets.	1.90%
on the next Rs. 1,250 crores of the daily net assets.	1.60%
on the next Rs. 3,000 crores of the daily net assets	1.50%
on the next Rs. 5,000 crores of the daily net assets.	1.40%
on the next Rs. 40,000 crores of the daily net assets.	Expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof.
on balance of the assets	0.95%

The above expense structures are indicative in nature and are provided solely to help investors understand the various costs and expenses that may be borne, directly or indirectly, under the Scheme. **The actual expenses charged may be lower than those indicated above.**

**Total Expense Ratio (TER) pursuant to regulation 67 of SEBI (Mutual Funds) Regulations, 2026:**

Pursuant to the 2 (1) (aaa), Total Expense ratio means the ratio of total of all expenses charged to the investors of the scheme to the total asset under management of the scheme, as may be specified by SEBI.

(1) Total Expense Ratio charged to the investors of the scheme, shall be total of expense charged within the base limit specified under sub-regulation 7 of regulation 66, brokerage cost permitted under sub-regulation 9 of regulation 66, transaction cost incurred for the purpose of execution of trade as referred under sub-regulation 10 of regulation 66, and statutory levies charged to the investors.

(2) No charges other than the base expense ratio, brokerage cost, transaction cost, statutory levy and exit load including levies as may be specified by the SEBI, shall be charged to the investors.

**Base expense ratio (BER)** - The BER shall be charged to the schemes within the base limits specified under regulation 66 (7) of the MF Regulations, 2026.

The Base Expense Ratio (BER) is the sum of:

- a. Pursuant to sub-regulation (4) of regulation 66 of SEBI (Mutual Funds) Regulations, 2026 : Investment and Advisory fees
- b. Pursuant to sub-regulation (5) of regulation 66 of SEBI (Mutual Funds) Regulations, 2026: Recurring expenses
- c. Pursuant to sub-regulation (6) regulation 66 of the SEBI (Mutual Funds) Regulations, 2026: The asset management company shall pay charges or commission or fees related to distribution of mutual fund schemes in the manner as may be specified by the SEBI from time to time.

Pursuant to sub-regulation (7) of SEBI (Mutual Funds) Regulations 2026, the base expense ratio of the scheme shall be sum of expenses mentioned at sub-regulation (4), sub-regulation (5) and sub-regulation (6) but excluded statutory levy applicable, if any, on the said expenses and transaction cost specified under sub-regulation (10). Additionally, as per the regulation 66 sub-regulation (9), expenses charged towards brokerage, over and above the specified limit, shall be part of the base expense ratio limit specified under sub-regulation (7).

Investors are requested to note the following provision/definition as provided in SEBI (Mutual Funds) Regulations 2026 in relation to Brokerage cost, Transaction cost and Statutory levy.

- **Brokerage Cost (sub-regulation 9 of regulation 66)** – schemes may charge expense incurred towards brokerage, for the purpose of execution of trade, over and above the base expense ratio subject to a maximum of 0.06 per cent of trade value in case of cash market transactions and 0.02 per cent of trade value in case of derivatives transactions. Expenses charged towards brokerage, over and above the specified limit, shall be part of the base expense ratio limit specified.
- **Transaction cost (sub-regulation 10 of regulation 66)** incurred for the purpose of execution of a trade shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable. Such transaction costs shall not form part of the base expense ratio.
- **Statutory levy (clause yy of sub-regulation 1 of regulation 2)** means levy imposed by state government and central government.

Pursuant to sub-regulation (2) of regulation 66 of SEBI MF Regulations, 2026, any expenditure in excess of the base limits specified in shall be borne by the asset management company or the trustees or sponsors. If any expense of the scheme is borne by asset management company or by the trustee or sponsors, the same shall be done only after the investment and advisory fees charged to the scheme, if any, is fully reversed.

**Disclosure of Total Expense Ratio:**

Please note that, in accordance with Clause 11.2 of the SEBI Master Circular dated March 20, 2026, the AMC shall prominently disclose on a daily basis, the TER (scheme-wise, date-wise) of all schemes under a separate head –“Total Expense Ratio of Mutual Fund Schemes” on its website, as well as on the website of AMFI in the downloadable spreadsheet format as per the prescribed format in this regard as updated from time to time. For details of the actual expenses charged, investors are requested to visit the website <https://downloads.nimutualfund.com/downloads.php>.

### Change in Base Expense Ratio ('BER'):

Any change in the BER in comparison to previous base BER charged to any scheme/plan shall be communicated to investors of the scheme/plan through notice via email or SMS at least three working days prior to effecting such change. Further, the notice of change in BER shall be updated on the AMC website i.e. <https://downloads.njmutualfund.com/downloads.php> at least three working days prior to effecting such change. Provided that any change in BER in a mutual fund scheme due to change in AUM or any decrease in BER in a mutual fund scheme due to various other regulatory requirements shall not require issuance of any prior notice to the investors.

### Expense Structure for Direct Plan

Direct Plan will have lower expense ratio than Regular Plan of the Scheme. The expenses under Direct Plan shall exclude the distribution and commission expenses. All fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a Regular Plan.

### Illustration of impact of expense ratio on scheme's returns:

Particulars	Regular Plan	Direct Plan
Amount invested at the beginning of the year (₹)	10,000	10,000
Annual income accrued to the scheme (₹)	2,000	2,000
Expenses other than Distribution expenses (₹)	150	150
Distribution expenses (₹)	50	-
Returns after expenses at the end of the year (₹)	1800	1850
Returns after expenses at the end of the year (in %)	18.00%	18.50%

Illustration is given to understand the impact of expense ratio on a scheme return and this should not be construed as an indicative return of the scheme.

### D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC ([www.njmutualfund.com](http://www.njmutualfund.com)) or may call at 1860 500 2888 / 040-49763510 or your distributor.

Type of Load	Load chargeable as %age of NAV
Exit Load	<p><b>Exit Load: Nil</b></p> <p>The AMC has a right to modify the load structure with prospective effect subject to a maximum prescribed under the Regulations. For any change in load structure the AMC will issue an addendum and display it on the website/Investor Service Centres.</p>

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.

**Load on bonus/ re-investment of Income Distribution cum capital withdrawal units:**

Please note that the scheme does not offer bonus or reinvestment of Income Distribution cum capital withdrawal option.

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/ brokers 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 centres, 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/njmf\\_download.php?nme=978](https://downloads.njmutualfund.com/njmf_download.php?nme=978)

#### **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. Liquidity risk can be defined as inability of the fund manager to exit securities at their fair value in the secondary market whenever there is a need to generate cash. Equity and equity related instruments are subject to liquidity risk. Liquidity risk is generally observed to be elevated in mid and small cap stocks than in large cap stocks. The scheme may have some exposure to mid and small cap stocks which usually have a higher impact cost.

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.

##### **Risk associated with investment in REITS and InvITs**

**Price-Risk or Interest-Rate Risk:** REITs and InvITs run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing 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. REITs and InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.

**Liquidity:** As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc., the time taken by the Mutual Fund for liquidating the investments in the scheme may be long in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. As these products are new to the market, they are likely to be exposed to liquidity risk.

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

**Reinvestment Risk:** Investments in REITs and InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in the form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns. However, the reinvestment risk will be limited as the proceeds are expected to be a small portion of the portfolio value.

**Risk of lower than expected distributions:** The distributions by the REIT and InvITs will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the REIT receives as dividends or the interest and principal payments from portfolio assets.

The above are some of the common risks associated with investments in REITs and InvITs. There can be no assurance that investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

## **2. Risks associated with the Scheme's rule based investment strategy:**

The scheme 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.

**Scheme specific risk pertaining to Value investment Strategy:** A key risk associated with value investing is the Value Trap, where a stock appears cheap but fails to recover because the underlying business continues to deteriorate or the trigger for value realisation does not materialise within a reasonable timeframe. The longer the market takes to correct a mispricing, the greater the holding risk and opportunity cost. Furthermore, value-oriented strategies may experience meaningful cycles of underperformance in the short to medium term — particularly during periods when growth or momentum themes dominate market sentiment. During such phases, a value portfolio may deliver returns below the broader market benchmark for an extended period, even when the underlying

investment thesis remains sound. Investors are advised to maintain a sufficiently long investment horizon to allow the value thesis to play out. The strategy's integration of quality filters and risk scoring is specifically aimed at mitigating these risks and improving risk-adjusted returns over time

### **3. Risk Associated with money market instruments :**

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

**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.

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

The 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.

### **Risks associated with Covered Call Strategy**

A call option gives the holder (buyer) the right but not the obligation to buy an asset by a certain date for a certain price. Covered calls are an options strategy where a person holds a long position in an asset and writes (sells) call options on that same asset to generate an income stream. The Scheme may write call options under covered call strategy, as permitted by the regulations. Risks associated thereto are mentioned below:

**Opportunity cost:** A covered call strategy limits the upside potential of the underlying stock. If the stock rises sharply, the gains above the call option's strike price will be missed out. When the underlying asset's price rises above the strike price, the short call loses its value as much as the underlying stock gains and as a result the upside of the stock always gets capped. Downside risk is reduced by writing covered call options.

**Exit issues / Illiquidity risk:** If the strike price at which the call option contracts have been written become illiquid, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity. Also, if covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately in case where the view changes to sell and exit the stock. The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the scheme. This may restrict the ability of scheme to utilize options strategies. The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue. The Stock Exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio.

The certain risk factors arising out of a derivative strategy may be as below: Lack of opportunity available in the market.

**Execution Risk:** The prices which are seen on the screen need not be the same at which execution will take place. Exchanges could raise the initial margin, variation margin or other forms of margin on derivative contracts, impose one sided margin or insist that margins be placed in cash. All of these might force positions to be unwound at a loss and might materially impact returns

### **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 of Securities Lending and Borrowing/ Short selling**

### **A. Securities Lending and Borrowing**

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.

### **B. Short selling**

Short-selling is the sale of shares or securities that the seller does not own at the time of trading. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock/security he shorted and returns the stock/security to the lender to close out the loan. The inherent risks are Counterparty risk and liquidity risk of the stock/security being borrowed. The security being short sold might be illiquid or become illiquid and covering of the security might occur at a much higher price level than anticipated, leading to losses.

## **7. 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 not 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.

#### **8. 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.

#### **9. 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.

#### **10. 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.

#### **11. 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.

#### **12. 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.

### 13. 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.

### 14. 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 actively 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, equity derivatives 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 money market instruments:

**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.

### **6. Risks associated with Value investment strategy:**

A low valuation does not always indicate a mispriced stock — it may also reflect genuine business or structural risks that impair a company's ability to recover to fair value. To address this, the strategy may incorporate a systematic risk scoring framework to assess each company's risk profile, going beyond valuation alone. Additionally, stock-level volatility filters may be applied alongside valuation assessment to ensure that only companies with a reasonable risk-reward profile are considered for inclusion. Together, these controls are designed to distinguish between genuinely undervalued companies and those carrying risks that may prevent value realisation.

## **II. INFORMATION ABOUT THE SCHEME:**

### **A. Where will the scheme invest –**

The below list includes only a list of all instruments in which the scheme will invest.

1. Equity Shares and equity related instruments which include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives (including future and options or such other instruments as may be permitted from time to time), Real Estate Investment Trusts (“REITs”) and such other instruments as may be specified by the SEBI from time to time.;

2. The scheme may invest residual portions in equity, money market instruments and other liquid instruments, gold and silver instruments as permitted by the SEBI and in InvITs, subject to the ceilings laid out in MF Regulations with respect to the respective asset class. Accordingly, the scheme may invest in the following instruments :

- a. money market instruments” includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India;
  - b. Liquid instruments as permitted for equity schemes from time to time.
  - c. Gold and Silver Instruments
  - d. Infrastructure Investment Trusts (InvITs)
3. Units of Mutual funds as may be permitted by SEBI regulation
  4. Infrastructure Investment Trusts (InvITs)
  5. Pending deployment of the Scheme shall be invested in short -term Deposit as per SEBI circular issued in this regard from time to time.
  6. Securities Lending as may be permitted by SEBI
  7. Any other instruments as 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.

Detailed description of the instruments (including overview of debt markets in India, if applicable) is detailed below:

## **DETAILED DESCRIPTION OF THE INSTRUMENTS**

### **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.

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.

#### **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 =  $(1085-1075) * 100 \text{ lots} * 200 = \text{Rs. } 200,000$

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) Options Contract**

An Option gives the buyer the right, but not the obligation, to buy (call) or sell (put) a stock at an agreed-upon price during a certain period of time or on a specific date.

Options are used to manage risk or as an investment to generate income. The price at which underlying security is contracted to be purchased or sold is called the Strike Price.

Options that can be exercised on or before the expiration date are called American Options while, Options that can be exercised only on the expiration date are called European Options.

Stock / Index Options	Buy Call	Sell Call	Buy Put	Sell Put
View on underlying	Positive	Negative	Negative	Positive
Premium	Pay	Receive	Pay	Receive
Risk Potential	Limited to premium paid	Unlimited	Limited to premium paid	Unlimited
Return Potential	Unlimited	Premium Received	Unlimited	Premium Received

Option contracts are of following two types - Call and Put.

**Call Option:** A call option gives the buyer, the right to buy specified quantity of the underlying asset at the set strike price on or before expiration date and the seller (writer) of call option however, has the obligation to sell the underlying asset if the buyer of the call option decides to exercise the option to buy.

**Put Option:** A put option gives the buyer the right to sell specified quantity of the underlying asset at the set strike price on or before expiration date and the seller (writer) of put option however, has the obligation to buy the underlying asset if the buyer of the put option decides to exercise his option to sell.

**Risk:** The options buyer's risk is limited to the premium paid. However the gains of an options writer are limited to the premiums earned. The exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.

### **Index Options / Stock Options**

Index options / Stock options are termed to be an efficient way of buying / selling an index/stock compared to buying / selling a portfolio of physical shares representing an index for ease of execution and settlement. The participation can be done by buying / selling either Index futures or by buying a call/put option.

The risk are also different when index /stock futures are bought/sold visa- a- vis index/ stocks options as in case of an index future there is a mark to market variation and the risk is much higher as compared to buying an option, where the risk is limited to the extent of premium paid.

The illustration below explains how one can gain using Index call / put option. These same principles of profit / loss in an Index option apply in totality to that for a stock option.

### **Call Option**

Suppose an investor buys a Call option on 1 lot of Nifty 50 (Lot Size: 50 units)

Nifty index (European option).

- Nifty 1 Lot Size: 50 units
- Spot Price (S): 3500
- Strike Price (x): 3550 (Out-of-Money Call Option)
- Premium: 100

Total Amount paid by the investor as premium  $[50 \times 100] = 5,000$

There are two possibilities i.e. either the index moves up over the strike price or remains below the strike price.

### Case 1- The index goes up

- An investor sells the Nifty Option described above before expiry:

Suppose the Nifty 50 Index moves up to 3600 in the spot market and the premium has moved to Rs 200 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty call option as the option now is In the Money.

His gains are as follows:

- Nifty Spot: 3600
- Current Premium: Rs.200
- Premium paid: Rs.100
- Net Gain: Rs.200- Rs.100 = Rs.100 per unit
- Total gain on 1 lot of Nifty (50 units) = Rs.5,000 (50\*100)

In this case the premium of Rs.200 has an intrinsic value of Rs.50 per unit and the remaining Rs.150 is the time value of the option.

- An investor exercises the Nifty Option at expiry

Suppose the Nifty index moves up to 3700 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty call option as the option now is In The Money.

His gains are as follows:

- Nifty Spot: 3700
- Premium paid: Rs.100
- Exercise Price: 3550
- Receivable on exercise: 3700-3550 = 150
- Total Gain: Rs.2500  $\{(150-100)*50\}$

In this case the realised gain is only the intrinsic value, which is Rs.50, and there is no time value.

### Case 2 - The Nifty index moves to any level below 3550

Then the investor does not gain anything but on the other hand his loss is limited to the premium paid:Net Loss is Rs.5,000 (Loss is capped to the extent of Premium Paid)

(Rs 100 Premium paid\*Lot Size: 50 units).

### Put Option

Suppose an investor buys a Put option on 1 lot of Nifty 50.

- Nifty 1 Lot Size: 50 units
- Spot Price (S): 3,500
- Strike Price (x): 3,450 (Out-of-Money Put Option)
- Premium: 30
- Total Amount paid by the investor as premium  $[50*30] = Rs. 1,500$

There are two possibilities i.e. either the index moves over the strike price or moves below the strike price.

Let us analyze these scenarios.

Case 1 - The index goes down

**An investor sells the Nifty Option before expiry:**

Suppose the Nifty 50 Index moves down to 3400 in the spot market and the premium has moved to Rs. 80 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty Put Option as the option now is In The Money.

His gains are as follows:

- Nifty Spot: 3,400
- Premium paid: Rs.30
- Net Gain: Rs.80 - Rs.30 = Rs.50 per unit
- Total gain on 1 lot of Nifty (50 units) = Rs.2,500 (50\*50)

In this case the premium of Rs.80 has an intrinsic value of Rs.50 per unit and the remaining Rs.30 is the time value of the option.

**An investor exercises the Nifty Option at expiry (It is an European Option)**

Suppose the Nifty index moves down to 3400 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty Put Option as the option now is In The Money.

His gains are as follows:

- Nifty Spot: 3400
- Premium paid: Rs.30
- Exercise Price: 3450
- Gain on exercise: 3450-3400 = 50
- Total Gain: Rs.1,000 {(50-30)\*50}

In this case the realised amount is only the intrinsic value, which is Rs.50, and there is no time value in this case.

**Covered Call Strategy**

The covered call strategy is a strategy where a fund manager writes call options against an equivalent long position in an underlying stock thereby giving up a part of the upside from the long position. The strategy allows the fund manager to earn premium income from the option writing in addition being able to capture the remaining part of the upside.

Assumptions: Current price of stock A: Rs. 27.87 per share

1 contract = 100 shares

Total no of contracts: 10

Strike price: Rs. 30/- per share

Premium: Rs. 0.35 per share

Suppose, on October 6, 2018, the writer of the call owns 1,000 shares of Company A, which is currently trading at Rs. 27.87 per share. The writer of the call writes 10 call option contracts for company A with a strike price of Rs. 30 per share that expires in January 2019. The writer receives premium of 0.35 per share for the calls, which equals Rs. 35.00 per contract for a total of Rs. 350.00

Total premium = (Rs. 0.35 per share) \* (100 shares per contract) \* (10 contracts) = Rs. 350.

The following can be the scenarios reflecting risks and benefits at the end of the option expiry:

Case 1 - Stock falls below current price of Rs. 27.87 per share: The option expires worthless. Hence the loss from the stock position gets reduced to the extent of the premium income. Case 2 - Stock goes up above current price but remains below Rs. 30 per share (strike price): The option expires worthless. Hence the income from the gains in the stock price gets further boosted to the extent of the premium income.

Case 3 - Stock goes above Rs. 30 per share: Option position goes out of the money for the writer but the losses from the option position are matched by the gains from the underlying stock position above Rs. 30 per share. Hence the return from the position is equal to the return from stock upto the strike price of Rs. 30 per share and the premium income from the option.

#### **Benefits of using Covered Call Strategy in Mutual Funds:**

The covered call strategy can be followed by the Fund Manager in order to hedge risk thereby resulting in better risk adjusted returns of the Scheme. The strategy offers the following benefits:

- a) Hedge against market risk - Since the fund manager sells a call option on a stock already owned by the mutual fund scheme, the downside from fall in the stock price would be lower to the extent of the premium earned from the call option.
- b) Generating additional returns in the form of option premium in a range bound market. Thus, a covered call strategy involves gains for unit holders in case the strategy plays out in the right direction

#### **Risk associated with covered calls**

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

#### **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 =  $Rs.84 \times 100 \times 50$  Rs. 4,20,000

Option Exercised at = Rs. 5,500

Profits for the Fund =  $(6000.00 - 5,500.00) \times 100 \times 50$  = 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 under Chapter 10 of Master Circular for Mutual Funds dated March 20, 2026 and Seventh schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 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:

**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.

**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?'

## **OVERVIEW OF DEBT MARKET:**

The scheme shall invest in money market instruments , liquid instruments and any other instruments as specified by the Reserve Bank of India from time to time and approved by SEBI from time to time.

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 Sixth Schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

1. Mutual fund scheme's investment in equity shares, equity related instruments and debt instruments shall only be made in listed or to be listed securities except that mutual fund can invest in:

(a) unlisted Government Securities and money market instruments other than commercial papers; and

(b) unlisted non-convertible debentures to the extent and in the manner as specified by the SEBI.

2. A scheme may invest in another scheme under the same mutual fund or any other mutual fund without charging any fees and such inter scheme investment shall be subject to limits as may be specified by the SEBI from time to time. This clause shall not apply to any fund of fund schemes.

3. No scheme of a mutual fund shall make any investment in any fund of funds scheme.
4. 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 SEBI:
- Provided** further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the SEBI.
- Provided** further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
5. Every mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme except in respect of such securities as may be specified by the SEBI from time to time.
6. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the SEBI.
7. Investment by mutual fund schemes shall be subject to such prudential limits as prescribed by the SEBI from time to time.

**In terms of Sixth schedule of MF Regulations, the AMC shall ensure compliance with the following prudential norms:**

Sr. no	Particulars	Description	Maximum Investment/ exposure limit	Proviso
1	Investment by mutual fund scheme in equity instruments	Investment in equity shares or equity related instruments of any entity by a Mutual Fund scheme	10% of NAV	(A) Such limit shall not be applicable for investment in index fund or ETF or Sector or Thematic scheme. (B) The limit shall also be applicable for investment in units of Venture capital funds.
2	Single issuer limit for investment in debt instruments	(a) Investment by a Mutual Fund scheme in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are	(i) Overall limit- 10% of NAV (ii) Sub limits- based on credit rating of the instruments for actively managed mutual fund schemes other than credit risk funds - (I) 10% of its NAV in debt and money market	(A) Such limit shall also be applicable to mortgage backed securitized debt which are rated not below investment grade by a credit rating agency registered with the SEBI (B) Such limit shall not be applicable for investments in debt exchange traded

		rated not below investment grade by a credit rating agency authorized to carry out such activities under the Act.	securities rated AAA; or (II) 8% of its NAV in debt and money market securities rated AA; or (III) 6% of its NAV in debt and money market securities rated A and below issued by a single issuer	funds, Government Securities, treasury bills and triparty repo on Government securities or treasury bills. (C) Such limit is not applicable for investment in securitized debt (mortgage backed securities and asset backed securities), at the originator level. (D) 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 Credit Rating Agencies 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.
		(b) Additional Investment in any issuer as well as its instruments (based on ratings) with prior approval of the Board of Trustees and Board of Directors of the AMC	Additional 2% of NAV (i.e. upto maximum 12% of NAV)	
3	Investment in paid-up capital of a company at mutual fund level	Investment by mutual fund under all its schemes in any company's paid up capital carrying voting rights.	10% of paid-up capital of the company Or 10 percent of units of REITs issued by a single issuer	Investment in the asset management company or the trustee company of a mutual fund shall be governed by Regulation 6(1)(a).
4	Investment by Mutual Fund Schemes in Associate or group company of the sponsor	(a) Investment in any unlisted security of an associate or group company of the sponsor	0% of NAV	Not permitted to invest
		b) Investment in any security issued by way of private placement by an	0% of NAV	Not permitted to invest

		associate or group company of the sponsor; or		
		(c) Investment in the listed securities of group companies of the sponsor by all mutual fund schemes except Equity oriented ETFs and Index Funds	25% of NAV	(A) Widely tracked and non-bespoke indices shall be indices that are tracked by passive funds or act as primary benchmark for actively managed funds with collective AUM of INR 20,000 Cr. and above.
		d) Investment in the listed securities of group companies of the sponsor by Equity oriented ETFs and Index Funds based on widely tracked and non-bespoke indices	In accordance with the weightage of the constituent of the underlying index, subject to an overall cap of 35% of NAV of the scheme, in the group companies of the sponsor	(B) The list of indices based on the criteria specified above, shall be determined on half yearly basis as per the above specified AUM threshold as on March 31st and September 30th respectively. The list of such indices shall be updated by AMFI and published on its website by April 15th and October 15th respectively every year, after seeking SEBI's approval
5	Investment limits for investment by Mutual Fund Schemes in units of InvITs:	a) Investment by mutual fund under all its schemes	10% of units issued by a single issuer of InvIT	
		Investment by a mutual fund scheme in the units of InvITs	10% of NAV of MF scheme	Such limits shall not be applicable for investments in case of index fund or sector or thematic scheme pertaining to InvIT.
		Investment by a mutual fund scheme in the units of InvIT issued by a single issuer	5% of NAV of MF scheme	

## 6. Stock Lending Scheme

The scheme will not deploy more than 20% of the net assets of the Scheme in securities lending and Not more than 5% of the net assets of the scheme will be deployed with any single intermediary.

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. 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. DNP/DF-29/2005 dated September 14, 2005, circular no. DNP/DF-30/2006 dated January 20, 2006, circular no. DNP/DF-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.

#### 9. Investments in Short Term Deposits (STDs) of Scheduled Commercial Banks- pending deployment

i) In terms of clause 8 of sixth schedule of MF Regulations, the guidelines for deployment of funds in short term deposits of commercial banks are as under:

- (a) "Short Term" shall be treated as a period not exceeding 91 calendar days.
- (b) Such Deposits shall be held in the name of the concerned scheme

#### ii) Scheme level limit

- (a) No mutual fund scheme shall park more than 15% of their net assets in STDs across all scheduled commercial banks. This limit may be extended to 20% with prior approval of trustees.
- (b) No mutual fund scheme shall park more than 10% of the net assets in STDs with any one scheduled commercial bank including subsidiaries.

#### iii) Mutual Fund level limit

- (a) Parking of funds in STDs of associate and sponsor scheduled commercial banks together shall not exceed 20% of the total deployment by the mutual fund in STDs.

iv) Trustees/AMCs shall ensure that no funds of a scheme is parked in STD of a bank which has invested in that scheme. Trustees/AMCs shall also ensure that the bank in which a scheme has STD do not invest in the said scheme till the time the scheme has STD with such bank.

v) AMCs shall not be permitted to charge investment management and advisory fees for parking of funds in STDs of Scheduled Commercial banks.

vi) Investments made in short term deposits pending deployment of funds shall be recorded and reported to the Trustees including the reasons for the investment especially comparisons with interest rates offered by other scheduled commercial banks.

vii) AMCs and Trustees shall certify compliance with the provisions of the MF Regulations pertaining to parking of funds in STDs pending deployment, at all points of time, in the CTR and HYTR respectively, filed with the SEBI. Further, monthly portfolio statements shall disclose all funds parked in STDs under a separate heading. Details shall also include name of the bank, amount of funds parked, percentage of NAV.

viii) Except for Paragraph vii above, the above guidelines shall not apply to term deposits placed as margins for trading in cash and derivatives market. However, all term deposits placed as margins shall be disclosed in the monthly portfolio statements under a separate heading. Details such as name of bank, amount of term deposits, duration of term deposits, percentage of NAV shall be disclosed.

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

11. 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.

12. 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.

13. SEBI vide its Master Circular dated March 20, 2026 has prescribed the following investment restrictions w.r.t. **investment in derivatives**.

A. The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the SEBI from time to time shall not exceed 100% of the net assets of the scheme.

B. 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:

<b>Position</b>	<b>Exposure</b>
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Premium Paid	Option Premium Paid * Lot Size * Number of Contracts

C. The total gross exposure related to option premium paid and received shall not exceed 20% of the net assets of the scheme.

D. 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 Paragraph 1 above.

**Explanation:** Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains. Hedging positions cannot be taken for existing derivative positions.

#### E. Exemptions from the gross exposure limits

SI No	Exemption from gross exposure limit for exposure in	Additional conditions for exemption, if any
(a)	Cash or cash equivalents with residual maturity of less than 91 calendar days	NA
(b)	Exposure due to hedging positions: hedging position shall be exempted from the exposure limits mentioned in Paragraph 1 above, subject to the conditions mentioned alongside.	(i) Hedging positions are not taken for existing derivative positions; (ii) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged; (iii) 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.
(c)	The exposure on account of the call option written under the covered call strategy as mentioned in Paragraph 13.15.1 of SEBI Master Circular	NA

#### 14. Writing of Options by Mutual Fund Schemes:

(a) Mutual funds shall not write options or purchase instruments with embedded written options except for the covered call strategy.

(b) Mutual Funds shall write call options under a covered call strategy as prescribed below:

Mutual Fund schemes (except Index Funds and ETFs) may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

(I) The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme. In case of any passive breach, the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.

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

(III) In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it shall ensure compliance with Paragraphs (I) and (II) above while selling the securities.

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

(V) The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired.

15. The sponsor of a mutual fund, its associate or group company including the asset management company (through the schemes of the mutual fund or otherwise, individually or collectively), or any shareholder holding 10% or more of the shareholding or voting rights in the asset management company or the trustee company of a mutual fund, shall not, directly or indirectly:

- (a) hold ten percent or more of the shareholding or voting rights in the asset management company or the trustee company of any other mutual fund; or
- (b) have representation on the board of the asset management company or trustee company of any other mutual fund.

**16. Inter Scheme Transfer of Securities (“IST”)- As per para 13.19 of SEBI Master Circular:**

1. Transfers of securities from one scheme to another scheme in the same mutual fund shall be allowed only if such transfers are done at the prevailing market price for quoted instruments on spot basis (“spot basis” shall have the same meaning as specified by 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

2. In order to ensure that such ISTs of securities are in conformity with the above objective, the following additional safeguards have been prescribed:

(a) In case of Close Ended Schemes, IST purchases would be allowed within 3 business days of allotment pursuant to NFO and thereafter, no ISTs shall be permitted to/from Close Ended Schemes.

(b) In case of Open Ended Schemes, ISTs may be allowed in the following scenarios:

(i) For meeting liquidity requirement in a scheme in case of unanticipated redemption pressure: 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 shall 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 shall be optional and 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 Paragraphs (II) & (III) above may be used in any combination and not necessarily in the above order. In case option of market borrowing and/or selling of security is not used, the reason for the same shall be recorded with evidence

(ii) For Duration/Issuer/Group rebalancing:

- (I) ISTs shall be allowed to rebalance the breach of regulatory limit.
- (II) ISTs can be done where duration/ issuer/ sector/ group rebalancing is required in both the transferor and transferee schemes. Different reasons cannot be cited for transferor and transferee schemes except in case where the transferee scheme is Credit Risk scheme.
- (III) In order to guard against possible mis-use of ISTs in Credit Risk scheme, trustees shall ensure

to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in process of ISTs in Credit Risk scheme, in case the security becomes default grade after the ISTs within a period of one year. Such negative impact on performance shall mirror the existing mechanism for performance incentives of the AMC.

(c) No ISTs of a security shall be allowed, if there is negative news or rumours in the mainstream media or an alert is generated about the security, based on internal credit risk assessment in terms of Paragraph 5.4 of this Master Circular during the previous four months.

(d) AMC shall ensure that Compliance Officer, CIO and Fund Managers of transferor and transferee schemes have satisfied themselves that ISTs undertaken are in compliance with the regulatory requirements. Prescribed "Template" and documentary evidence in this regard shall be maintained by the AMC for all ISTs.

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

### **17. Investment by Schemes of the Mutual fund in Pre-IPO placements**

In terms of Clause 1 of Sixth Schedule to MF Regulations, in case of IPO of equity shares and equity related instruments, schemes of the Mutual Funds can only participate in the Anchor investor portion or in the public issue. The Scheme will comply with any other Regulations applicable to the investment of mutual funds from time to time.

18. Mutual Funds shall be permitted to offer both Value and Contra funds subject to the condition that scheme portfolio overlap between the two schemes shall not be more than 50%.

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 2026, 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 Paragraph 1.9 of SEBI Master Circular for Mutual Funds.:

**(i) Type of a scheme :** An open-ended equity scheme following a value investment strategy.

**(ii) Investment Objective :** The investment objective of the Scheme is to generate long term capital appreciation by investing predominantly in equity and equity related instruments of companies by following a value investment strategy.

However, there is no assurance 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 22(9)(c) of the SEBI (MF) Regulations, 2026 and Paragraph 1.9.2 of SEBI Master Circular for Mutual Funds the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each Unitholder and details as specified by the SEBI are appropriately displayed on the website of the AMC; and
- The Unitholders are given an option for a period of at least 30 calendar days to exit at the prevailing NAV 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 an open ended equity scheme following a value investment strategy.

**E. Principles of incentive structure for market makers (for ETFs):** Not Applicable since the scheme is an open ended equity scheme following a value investment strategy.

**F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per paragraph 14.5 of SEBI master circular for mutual funds (only for close ended debt schemes):** Not Applicable since the scheme is an open ended equity scheme following a value investment strategy.

**G. Other Scheme Specific Disclosures:**

<p>Listing and transfer of units</p>	<p><b>Listing:</b> The Scheme's sale and repurchase will be made on a continuous basis and therefore listing on a recognized stock exchange is not envisaged.</p> <p>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.</p> <p><b>Transferability of units:</b> Units held by way of demat form or Account Statement (subject to statutory levy and requisite process) can be transferred.</p> <p>With reference to transfer of units, please refer SAI and our website <a href="http://www.njmutualfund.com">www.njmutualfund.com</a></p>
<p>Dematerialization of units</p>	<p>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.</p> <p>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.</p> <p>In case Unit holders do not provide their demat account details or the demat details provided in the application form are incomplete/incorrect or do not match with the details with the Depository records, the Units will be allotted in account statement (physical) mode provided the application is otherwise complete in all respect and accordingly, an account statement shall be sent to them.</p> <p>Units held in demat form are transferable (except for Equity Linked Savings Scheme) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 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</p>

	<p>duty by the unitholder(s) and applicable laws. Units will be credited in the demat account only based on fund realization.</p> <p>Pursuant to clause 15.1.2. Of SEBI Master Circular for Mutual Funds dated March 20, 2026, on receipt of request from the unit holder, the AMC shall issue units in dematerialized form to a unit holder in a scheme within 2 working days.</p>
<p>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.)</p>	<p>Rs. 10 crores</p>
<p>Maximum Amount to be raised (if any)</p>	<p>Not applicable</p>
<p>Dividend Policy ( IDCW )</p>	<p>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. AMCs shall ensure that whenever distributable surplus is distributed, a clear segregation between income distribution (appreciation on NAV) and capital distribution (Equalization Reserve) shall be suitably disclosed in the Consolidated Account Statement provided to investors. Further, the payment of IDCW to the unitholders shall be made within 7 working days from the record date.</p> <p>The Mutual Fund is not assuring or guaranteeing that it will be able to make regular periodical distributions of amount to its Unitholders.</p> <p>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.</p> <p><b>Procedure for distribution of amount under IDCW:</b></p> <p><b>Pursuant to clause 12.5 of SEBI Master Circular dated March 20, 2026, the following process shall be followed for declaration of dividend:</b></p> <p>(a) The Trustees shall decide the quantum of IDCW and the record date in their meeting. IDCW so decided, shall be paid, subject to availability of distributable surplus.</p> <p>(b) Record date shall be the date which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of unit holders for receiving IDCW. The NAV</p>

	<p>shall be adjusted to the extent of IDCW distribution and statutory levy, if applicable, at the close of business hours on record date.</p> <p>(c) Within one calendar day of the decision by the trustees, AMC shall display the decision including the record date on the website of AMC. The record date shall be two working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier.</p> <p>(d) Before the issue of such notice, no communication whatsoever indicating the probable date of IDCW declaration shall be issued by any Trustees of Mutual Funds, AMCs or its distributors of its products.</p> <p>(e) The notice shall, in font size 10, bold, categorically state that pursuant to IDCW distribution, NAV of the scheme would fall to the extent of payout and statutory levy (if applicable).</p>
<p>Allotment (Detailed procedure)</p>	<p><b>During NFO Period:</b></p> <p>Subject to the Scheme receiving the minimum subscription, full allotment will be made to all valid applications received during the New Fund Offer (NFO) period. Allotment of Units on Application shall be made in the following manner.</p> <p>NFO period can be extended subject to SEBI regulation in this regard and shall be extended by uploading the addendum on AMC website.</p> <ol style="list-style-type: none"> <li>1. For applicants applying through ASBA, on allotment, the amount will be unblocked in their respective bank accounts and account will be debited only to the extent required to pay for allotment of Units applied in the application form.</li> <li>2. At the discretion of the investors, the units under the Scheme shall either be allotted in dematerialized form (if investor has Demat account and he has provided the details of depository account in the application form) or by way of issuing the physical account statement.</li> <li>3. The investors who wish to hold units in Demat mode need to furnish the details of their depository account in the Application Form. The Units allotted in electronic form will be credited to the investor's Beneficiary Account with a Depository Participant (DP) of CDSL or NSDL as per the details furnished by the investor in the Application Form within five business days from the closure of the New Fund Offer.</li> <li>4. An Investor who has not provided Demat account details shall be issued an account statement specifying the number of units allotted. A statement of accounts specifying the number of units allotted to the applicant or issue units in the dematerialized form as soon as possible but not later than five working days from the date of closure of the initial subscription list or from the date of receipt of the application.</li> <li>5. Please note that where the investor has furnished the details of their depository accounts in the Application Form, it will be assumed</li> </ol>

that the investor has opted for allotment in electronic form and the allotment will be made only in electronic form as default.

6. The process of allotment of Units will be completed within 5 (five) working / business days from the date of closure of the New Fund Offer Period.

7. 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 closure of NFO period will be sent to the Unitholders/investors registered email address and/or mobile number.

8. The allotment of units is subject to realization of the payment instrument.

9. Any application for subscription of units may be rejected if found incomplete or due to unavailability of underlying securities, etc.

**Ongoing basis:**

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 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 Statement of Account to the applicant within 5 Business Days of the receipt of request for the certificate.

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 distributions of amount, if any, as may be declared by the Trustee.

	<p>The allotment of units is subject to realization of the payment instrument.</p> <p><b>Units in dematerialised form:</b>          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.</p> <p>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.</p> <p>In case Unit holders do not provide their demat account details or the demat details provided in the application form are incomplete/incorrect or do not match with the details with the Depository records, the Units will be allotted in account statement (physical) mode provided the application is otherwise complete in all respect and accordingly, an account statement shall be sent to them.</p> <p>Units held in demat form are transferable (except for Equity Linked Savings Scheme) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 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.</p> <p>Further Pursuant to clause 15.1.2. of SEBI Master Circular for Mutual Funds dated March 20, 2026, on receipt of request from the unit holder, the AMC shall issue units in dematerialized form to a unit holder in a scheme within 2 working days.</p>
Refund	<p>If the application is rejected, full amount will be refunded within 5 working days of closure of NFO. If refunded later than 5 working days @ 15% p.a. for delay period will be paid and charged to the AMC.</p> <p>The AMC will refund the application money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. The Refund proceeds will be paid by way of NEFT/RTGS/Direct credits/ 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</p>

	<p>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.</p>
<p><b>Who can invest</b></p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>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:</p> <ol style="list-style-type: none"> <li>1. Indian Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;</li> <li>2. Hindu Undivided Family (HUF) through Karta;</li> <li>3. Minors through parent/legal guardian;</li> <li>4. Partnership Firms including limited liability partnership firms;</li> <li>5. Proprietorship in the name of the sole proprietor;</li> <li>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;</li> <li>7. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>8. Mutual Funds / Alternative Investment Funds registered with SEBI;</li> <li>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;</li> <li>10. Non-Resident Indians (NRIs)/Persons of Indian origin (PIOs) residing abroad on repatriation basis or on non-repatriation basis ;</li> <li>11. Foreign Portfolio Investors (FPIs) registered with SEBI;</li> <li>12. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;</li> <li>13. Scientific and Industrial Research Organisations;</li> <li>14. Multilateral Funding Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/RBI;</li> <li>15. Provident/ Pension/ Gratuity Fund to the extent they are permitted;</li> <li>16. Other schemes of NJ Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations;</li> <li>17. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme;</li> <li>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.</li> <li>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 clause 15.13 of Master Circular for Mutual fund dated March 20, 2026, following changes are carried out in the</li> </ol>

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 (with name printed), OR Bank statement / passbook copy of the new account. No further transactions shall be allowed till the status of the minor is changed to major. The AMC 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 as amended from time to time

The Scheme shall accept subscriptions from NRI / PIO based in the United States (US)/ Canada, along with such declarations / documents / terms and conditions as may be prescribed by the AMC , 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.

<p>Who cannot invest</p>	<p>Please note that the following persons cannot invest in the Scheme.</p> <p>a. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.</p> <p>b. Other restricted entities / individuals may be imposed by SEBI/ RBI /other relevant regulatory authorities / AMC from time to time.</p> <p>The AMC reserves the right to put the transaction request on hold / reject.</p>
<p>How to Apply and other details</p>	<p>Details regarding-</p> <p>1. Application form and Key Information Memorandum may be obtained from the Investor Service Centres/ Official Points of Acceptance (OPAs) of AMC or may be downloaded from the website of AMC viz. <a href="http://www.njmutualfund.com">www.njmutualfund.com</a></p> <p>2. Link for the list of official points of acceptance, collecting banker details etc. : Please refer the AMC link at <a href="https://distributor.njmutualfund.com/kfintech/contactus">https://distributor.njmutualfund.com/kfintech/contactus</a></p> <p>3. For name, address and contact no of Registrar and Transfer Agent (R&amp;T), email id of R&amp;T, website address of R&amp;T, official points of acceptance, collecting banker details etc. refer back cover page.</p> <p>Please note it is mandatory for unitholders to mention their bank account numbers in their applications / requests for redemption.</p> <p>Please refer to the SAI and Application form for the instructions.</p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>Units once redeemed will be extinguished and will not be reissued.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>The Units of the Schemes held in demat and non-demat mode may be transferable in line with applicable statutory requirements.</p> <p>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.</p>

**RIGHT TO RESTRICT REDEMPTION AND/OR SUSPEND REDEMPTION OF THE UNITS:**

Pursuant to clause 5.3 of SEBI Master circular dated March 20, 2026, The Fund at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan/Option) of the Scheme as per the below mentioned process:

a. Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

**(i) Liquidity issues** - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. AMCs should have in place sound internal liquidity management tools for schemes. Restriction on redemption cannot be used as an ordinary tool in order to manage the liquidity of a scheme. Further, restriction on redemption due to illiquidity of a specific security in the portfolio of a scheme due to a poor investment decision, shall not be allowed.

**(ii) Market Failures, exchange closures** - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.

**(iii) Operational Issues** - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).

(a) Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems.

(b) Restrictions on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 calendar days period.

(c) Any imposition of restriction would require specific approval of Board of AMCs and Trustees and the same shall be informed to SEBI immediately.

(d) When restriction on redemption is imposed:

(i) No redemption requests up to INR 2 lakh shall be subject to such restriction.

(ii) When redemption requests are above INR 2 lakh, AMCs shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.

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.

**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)												
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>In accordance with clause 9.4 of SEBI Master Circular dated March 20, 2026 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:</p> <p><b>I. APPLICABLE NAV FOR SUBSCRIPTIONS/ PURCHASE INCLUDING SWITCH-IN OF UNITS:</b></p> <table border="1" data-bbox="555 656 1388 1272"> <thead> <tr> <th data-bbox="555 656 783 828">Application receipt Time</th> <th data-bbox="783 656 1110 828">Cut-off time for credit of fund in Bank account of respective scheme</th> <th data-bbox="1110 656 1388 828">Applicable Closing NAV</th> </tr> </thead> <tbody> <tr> <td data-bbox="555 828 783 965">Upto 3 pm on the business day</td> <td data-bbox="783 828 1110 965">Upto 3 pm on the business day</td> <td data-bbox="1110 828 1388 965">Closing NAV of the same business Day</td> </tr> <tr> <td data-bbox="555 965 783 1102">After 3 pm on the business day</td> <td data-bbox="783 965 1110 1102">Upto 3 pm on the business day</td> <td data-bbox="1110 965 1388 1102">Closing NAV of the subsequent business Day</td> </tr> <tr> <td data-bbox="555 1102 783 1272">On business day</td> <td data-bbox="783 1102 1110 1272">After 3 pm on a business day or before cut-off time of any subsequent business day</td> <td data-bbox="1110 1102 1388 1272">Closing NAV of such subsequent Business Day</td> </tr> </tbody> </table> <p><b>For Switch-ins of any amount:</b> For determining the applicable NAV, the following shall be ensured:</p> <ul data-bbox="603 1391 1398 1989" style="list-style-type: none"> <li>● Application for switch is received before the applicable cut-off time.</li> <li>● 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.</li> <li>● The funds are available for utilization before the cut-off time.</li> <li>● 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.</li> <li>● Switch transactions reported within the same Scheme plan will be processed on the same Business Day, subject to receipt</li> </ul>	Application receipt Time	Cut-off time for credit of fund in Bank account of respective scheme	Applicable Closing NAV	Upto 3 pm on the business day	Upto 3 pm on the business day	Closing NAV of the same business Day	After 3 pm on the business day	Upto 3 pm on the business day	Closing NAV of the subsequent business Day	On business day	After 3 pm on a business day or before cut-off time of any subsequent business day	Closing NAV of such subsequent Business Day
Application receipt Time	Cut-off time for credit of fund in Bank account of respective scheme	Applicable Closing NAV											
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After 3 pm on the business day	Upto 3 pm on the business day	Closing NAV of the subsequent business Day											
On business day	After 3 pm on a business day or before cut-off time of any subsequent business day	Closing NAV of such subsequent Business Day											

	<p>of the valid request before the applicable cut-off time.</p> <p><b>II. APPLICABLE NAV FOR REDEMPTIONS INCLUDING SWITCH-OUTS:</b></p> <table border="1" data-bbox="555 331 1402 707"> <thead> <tr> <th data-bbox="555 331 959 398">Application receipt time</th> <th data-bbox="959 331 1402 398">Applicable Closing NAV</th> </tr> </thead> <tbody> <tr> <td data-bbox="555 398 959 501">In respect of valid applications received up to 3.00 p.m.</td> <td data-bbox="959 398 1402 501">the closing NAV of the day on which the application is received</td> </tr> <tr> <td data-bbox="555 501 959 707">In respect of valid applications received any time on a non-business day or anytime after 3:00 p.m. of a business day</td> <td data-bbox="959 501 1402 707">the closing NAV of the next business day.</td> </tr> </tbody> </table> <p><b>Transactions in Mutual Fund units undertaken on a recognized Stock Exchange:</b>          For the transaction through any recognized Stock Exchange platform, the Date of Acceptance will be reckoned as per the date &amp; time; the transaction is entered in stock exchange's infrastructure for which a system generated transaction confirmation statement will be issued to the unitholder.</p>	Application receipt time	Applicable Closing NAV	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 any time on a non-business day or anytime after 3:00 p.m. of a business day	the closing NAV of the next business day.
Application receipt time	Applicable Closing NAV						
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 any time on a non-business day or anytime after 3:00 p.m. of a business day	the closing NAV of the next business day.						
<p>Minimum amount for purchase / redemption / switches (mention the provisions for ETFs, as may be applicable, for direct subscription / redemption with AMC.</p>	<table border="1" data-bbox="563 1070 1414 1594"> <thead> <tr> <th data-bbox="563 1070 853 1169">Purchase including Switch-in</th> <th data-bbox="853 1070 1141 1169">Additional purchase including switch-in</th> <th data-bbox="1141 1070 1414 1169">Repurchase</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 1169 853 1594">Minimum of Rs. 500/- and in multiples of Re.1/- thereafter</td> <td data-bbox="853 1169 1141 1594">Minimum of Rs. 500/- and in multiples of Re. 1/- thereafter</td> <td data-bbox="1141 1169 1414 1594">In case of partial redemption, the minimum redemption amount is Rs. 1 and above. In case of full redemption, there shall be no minimum redemption criteria.</td> </tr> </tbody> </table> <p>As per Clause 7.14 of SEBI Master circular dated March 20, 2026 has mandated to invest prescribed percentage of the gross CTC in units of the scheme(s) of the Fund by the Designated Employees of the AMCs. 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).</p>	Purchase including Switch-in	Additional purchase including switch-in	Repurchase	Minimum of Rs. 500/- and in multiples of Re.1/- thereafter	Minimum of Rs. 500/- and in multiples of Re. 1/- thereafter	In case of partial redemption, the minimum redemption amount is Rs. 1 and above. In case of full redemption, there shall be no minimum redemption criteria.
Purchase including Switch-in	Additional purchase including switch-in	Repurchase					
Minimum of Rs. 500/- and in multiples of Re.1/- thereafter	Minimum of Rs. 500/- and in multiples of Re. 1/- thereafter	In case of partial redemption, the minimum redemption amount is Rs. 1 and above. In case of full redemption, there shall be no minimum redemption criteria.					
<p>Minimum balance to be maintained and</p>	<p>There is no minimum balance requirement.</p>						

consequences of non-maintenance	
Accounts Statements	<p>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). In case of units held in account statement (non-demat) mode, an account statement shall be issued to the Unit Holder within 5 working days from the date of allotment. Units held in demat mode shall be credited to the investor's demat account, and the statement issued by the Depository Participant shall serve as confirmation.</p> <p><b>Monthly:</b> 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.</p> <p><b>Half yearly:</b> 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.</p> <p>For further details, refer to SAI.</p>
Dividend/ IDCW	<p>The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.</p>
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances: AMFI, in consultation with the SEBI, has published a list of exceptional circumstances for schemes unable to transfer redemption or repurchase proceeds to investors within time as stipulated in Master Circular for Mutual funds dated March 20, 2026, along with applicable time frame for transfer of redemption or repurchase proceeds to the unitholders in such exceptional circumstances. The said list is available on AMFI website at <a href="https://www.amfiindia.com/Themes/Theme1/downloads/Listofexceptionalsituations.pdf">https://www.amfiindia.com/Themes/Theme1/downloads/Listofexceptionalsituations.pdf</a>. and our website <a href="https://downloads.njmutualfund.com/njmf_download.php?nme=978">https://downloads.njmutualfund.com/njmf_download.php?nme=978</a></p>

<p>Bank Mandate</p>	<p>The Fund proposes to pay redemption proceeds in the following manner: Directly to the bank account of unitholders through Direct Credit/RTGS/NEFT: 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.</p> <p>AMC reserves the right to hold redemption proceeds in case requisite bank details are not submitted.</p>
<p>Delay in payment of redemption/ repurchase proceeds/dividend</p>	<p>The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 15.4 of SEBI Master Circular for Mutual Funds dated March 20, 2026 by SEBI for the period of such delay.</p> <p>In the event of failure to transfer redemption or repurchase proceeds within 3 working days from the date of receipt of such requests and/ or pay out of IDCW within the stipulated 7 working days period, interest for the period of delay in transfer of redemption or repurchase or IDCW shall be payable to unitholders at the rate of 15% per annum along with the proceeds of redemption or repurchase or IDCW, as the case may be. Such Interest shall be borne by AMCs.</p> <p>However, the AMC shall not be liable to pay any interest or compensation in case of any delay in processing the redemption application beyond 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.</p> <p>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.</p>
<p>Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount</p>	<p>Pursuant to clause of 15.5 of SEBI Master Circular dated March 20, 2026, The unclaimed redemption and IDCW amounts may be:</p> <ul style="list-style-type: none"> <li>(a) deployed in call money market or money market instruments</li> <li>(b) invested in a separate plan of Overnight scheme / Liquid scheme/ Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts, provided such</li> </ul>

	<p>schemes are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix.</p> <p>Pursuant to the above, the AMC has launched Unclaimed Plan under NJ Overnight Fund for the purpose of deployment of Unclaimed Redemption and Unclaimed Dividend.</p> <p>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.</p> <p>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.</p> <p>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 <a href="http://www.njmutualfund.com">www.njmutualfund.com</a></p> <p><b>MITRA Platform:</b> MITRA (Mutual Fund Investment Tracing and Retrieval Assistant) is a <b>SEBI-backed initiative developed by Registrar and Transfer Agents (RTAs)</b>. It serves as a centralized platform where investors, nominees, or legal heirs can check if they have any forgotten or unclaimed mutual fund holdings. Investors can also track their mutual fund investments, including inactive ones, by visiting the MITRA platform.</p>
<p>Disclosure w.r.t investment by minors</p>	<p>Process for Investments made in the name of a Minor through a Guardian as per clause 15.13 of SEBI Master Circular for Mutual Funds dated March 20, 2026:</p> <p>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.</p>

	<p>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.</p> <p>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.</p> <p>d. 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, update his/her bank account details by providing Cancelled cheque (with name printed), OR Bank statement / passbook copy of the new account. No further transactions shall be allowed till the status of the minor is changed to major.</p> <p>e. The AMC shall suspend the Standing Instruction when the minor attains majority.</p>
Any other disclosure in terms of Consolidated Checklist on Standard Observations	-

### 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 as the Scheme is not a Fund of Fund scheme

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

Frequency	Disclosure
Monthly Disclosure	<p>Mutual Funds/ AMCs shall disclose portfolio (along with ISIN) as on the last day of the month for all their schemes on their respective website and on the website of AMFI within 10 calendar days from the close of each month in a user-friendly and downloadable spreadsheet format.</p> <p>In case of unit holders whose e-mail addresses are registered, AMCs shall send such statements of scheme portfolio to such unitholders via email within the timelines prescribed above. AMCs shall provide a feature wherein a link is provided to investors to their registered email to enable the investor to directly view/download only the portfolio of schemes subscribed by the said investor, along with the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark. AMCs shall declare on their website the hosting of the statement of its schemes portfolio on their respective website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unit holder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Further, the AMCs shall provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder. The AMCs may disclose additional information (such as ratios, etc.) subject to compliance with the Advertisement Code.</p> <p><b>Please refer the AMC website and AMFI website for Monthly Portfolio:</b>            The Scheme is a new scheme and hence the same is not applicable. However, the same shall be available at:</p> <p>AMC Website: <a href="https://downloads.njmutualfund.com/njmf_download.php?nme=127">https://downloads.njmutualfund.com/njmf_download.php?nme=127</a></p> <p>AMFI Website: <a href="https://www.amfiindia.com/online-center/portfolio-disclosure">https://www.amfiindia.com/online-center/portfolio-disclosure</a></p>
Half yearly Results	<p>Mutual Fund/AMC shall within one month from the close of each half year, (i.e. 31st March and on 30th September), shall display unaudited half yearly results on the respective websites of AMCs and the website of AMFI, in a user-friendly, downloadable and machine readable format as prescribed by SEBI from time to time.</p> <p><b>Please refer the AMC website and AMFI website for Half yearly results:</b>            The Scheme is a new scheme and hence the same is not applicable. However, the same shall be available at:</p> <p>AMC website: <a href="https://downloads.njmutualfund.com/njmf_download.php?nme=132">https://downloads.njmutualfund.com/njmf_download.php?nme=132</a>            AMFI website: <a href="https://www.amfiindia.com/otherdata/accounts">https://www.amfiindia.com/otherdata/accounts</a></p>

Annual Report	<p>The scheme wise annual report, in machine readable format, shall be hosted on the website of the AMCs and on the website of AMFI. The AMCs shall display the link prominently on their websites and make the physical copies available to the unit holders, at their registered offices at all times. The websites of the AMCs shall also be linked with AMFI website so that the investors and analyst(s) can access the annual reports of all mutual funds at one place. AMCs shall send an email/SMS to all unitholders regarding the hosting of scheme wise annual report on their website and on the website of AMFI. The AMCs shall e-mail the scheme annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the Mutual Fund, within 4 months from the date of closure of the relevant financial year. The said communication shall also include details of modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical copy of the scheme wise annual report or abridged summary thereof.</p> <p><b>Please refer the AMC website and AMFI website for Annual Report:</b></p> <p>AMC website: <a href="https://downloads.njmutualfund.com/njmf_download.php?nme=414">https://downloads.njmutualfund.com/njmf_download.php?nme=414</a></p> <p>AMFI website: <a href="https://www.amfiindia.com/otherdata/accounts">https://www.amfiindia.com/otherdata/accounts</a></p>
Risk-o-meter	<p>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.</p> <p>Any change in risk-o-meter of the scheme or its benchmark shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme.</p> <p><b>Please refer link for Risk-o-meter:</b></p> <p>The Scheme is a new scheme and hence the same is not applicable. However, the same shall be available at:</p> <p>AMC website: <a href="https://downloads.njmutualfund.com/njmf_download.php?nme=67">https://downloads.njmutualfund.com/njmf_download.php?nme=67</a></p> <p>AMFI website: <a href="https://www.amfiindia.com/online-center/risk-o-meter">https://www.amfiindia.com/online-center/risk-o-meter</a></p>
Scheme Summary Document	<p>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.</p> <p><b>Please refer link for Scheme Summary Document:</b></p> <p>The Scheme is a new scheme and hence the same is not applicable. However, the same shall be available at:</p>

	AMC website: <a href="https://downloads.njmutualfund.com/downloads.php">https://downloads.njmutualfund.com/downloads.php</a> AMFI website: <a href="https://www.amfiindia.com/otherdata/scheme-details">https://www.amfiindia.com/otherdata/scheme-details</a>
Portfolio Overlap	Mutual Funds shall disclose category wise portfolio overlap levels i.e. equity scheme vs other equity schemes, debt scheme vs other debt schemes and hybrid vs other hybrid schemes. Such disclosure shall be published on AMC website for investor communication on a monthly basis as per the format prescribed in this regard from time to time.
Waiver of load for direct applications	Not Applicable
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](http://www.amfiindia.com)) and on the website of the Mutual Fund [www.njmutualfund.com](http://www.njmutualfund.com) by 11.00 p.m. on every Business Day

In case NAVs are not disclosed before the commencement of business hours on the following day due to any reason, Mutual Funds shall issue a press release giving reasons for the delay and explain when they would be able to publish the NAVs.

### D. Transaction charges and stamp duty

#### Transactions charges:

No transaction charges shall be deducted from the subscription amount for transactions /applications received through the distributors (i.e. in Regular Plan).

#### 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. The rate and levy of stamp duty may vary as amended from time to time.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions 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
<b>Capital Gains: Long Term (held for more than 12 months)*</b>	12.5%** without Indexation in case of redemption of units where STT is paid on transfer [u/s 198]	12.5%** without Indexation in case of redemption of units where STT is paid on transfer [u/s 198]	Nil
<b>Short Term (held for not more than 12 months)</b>	20%** on redemption of units where STT is paid on transfer (u/s 196)	20%** on redemption of units where STT is paid on transfer (u/s 196)	Nil

**Notes:**

- Income of the Mutual Fund is exempt from income tax in accordance with the provisions of Schedule VII of the Income-tax Act, 2025 ('Act').
- Equity Scheme(s) will also attract Securities Transaction Tax (STT) at applicable rates.
- Under the terms of the Scheme Information Document, this Scheme is classified as an "Equity oriented fund".

As per section 198 of the Act, an "Equity oriented fund" has been defined to mean a fund set up under a scheme of a mutual fund specified in Schedule VII of Income Tax Act, 2025 and,

(i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange,—

- a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and
- 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. As per Sec 156 (1) of the Act, an assessee, being an individual resident in India, shall be entitled to a deduction of 100% of income-tax payable or ₹ 12,500, whichever is less, from the income-tax (computed before allowing the deduction under this section) chargeable on the total income for any tax year if such total income does not exceed ₹ 500,000.

As per Sec 156 (2) Where the total income of a resident individual assessee for any tax year is chargeable to tax under section 202(1), then from income-tax (computed before allowing the deduction under this section) following deductions shall be allowed, if—

(a) the income does not exceed twelve lakh rupees, 100% of the income-tax payable or ₹ 60,000, whichever is less;

(b) the total income exceeds twelve lakh rupees and the income-tax payable on such total income exceeds the amount by which the total income is in excess of twelve lakh rupees, an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds twelve lakh rupees.

As per Sec 156 (3) The deduction under sub-section (2), shall not exceed income-tax payable as per the rates provided in section 202(1).

*\*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 397 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/njmf\\_download.php?nme=978](https://downloads.njmutualfund.com/njmf_download.php?nme=978)

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 March 18, 2026. 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, 2026 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:** June 09, 2026

**Place:** Mumbai