



**SUNDARAM MUTUAL**  
UNEARTHING OPPORTUNITIES

## SCHEME INFORMATION DOCUMENT

# Sundaram Large Cap Fund

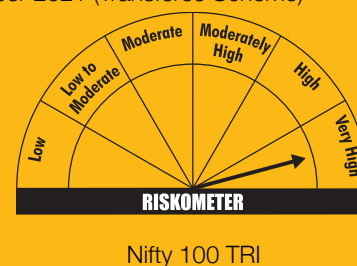
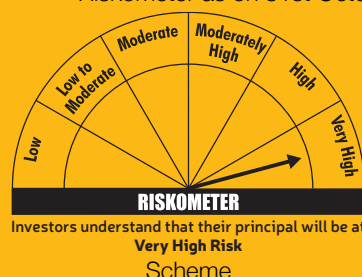
An open ended equity scheme predominantly investing in large cap stocks

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

- Capital appreciation over medium to long term.
- Investment in equity and equity-related securities of large cap companies.

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

Riskometer as on 31st October 2021 (Transferee Scheme)



Mutual Fund

Trustee Company

Asset Management Company

Address

**Sundaram Mutual Fund**

**Sundaram Trustee Company Limited**

**Sundaram Asset Management Company Limited**

**Sundaram Towers, I & II Floor, 46, Whites Road, Chennai - 600 014. India**

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996 as amended till date and filed with Securities and Exchange Board of India along with a Due Diligence Certificate from Sundaram Asset Management Limited. The units being offered for public subscription have not been approved or recommended by SEBI; SEBI has also not 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. Investors should also ascertain about any further changes to this document after the date of this Document from the Mutual Fund/Investor Service Centres/Distributors/Brokers or visit [www.sundarammutual.com](http://www.sundarammutual.com).

Investors are advised to refer to the Statement of Additional Information (SAI) for details of Sundaram Mutual Fund, tax and legal issues and general information. The Statement of Additional Information is available at [www.sundarammutual.com](http://www.sundarammutual.com) and [www.amfiindia.com](http://www.amfiindia.com)

Statement of Additional Information is incorporated by reference and is legally a part of the Scheme Information Document. For a free copy of the current Statement of Additional Information, please contact your nearest Investor Service Centre or visit [www.sundarammutual.com](http://www.sundarammutual.com).

This Scheme Information Document is dated DD/MM/YYYY.

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**Sundaram Mutual Fund**

**Trustee****Sundaram Trustee Company Limited**

CIN: U65999TN2003PLC052058

Corporate Office: Sundaram Towers, I &amp; II Floor, 46 Whites Road, Chennai 600 014 India

Phone : 044 28583362 Fax : 044 28583156

**Investment Manager****Sundaram Asset Management Company Limited**

CIN: U93090TN1996PLC034615

Corporate Office: Sundaram Towers, I &amp; II Floor, 46 Whites Road, Chennai 600 014 India

Phone : 044 28583362 Fax : 044 28583156

[www.sundarammutual.com](http://www.sundarammutual.com)**Sponsor****SUNDARAM FINANCE****Sundaram Finance Limited**

CIN: L65191TN1954PLC002429

Registered Office: 21, Patullos Road,  
Chennai 600 002

India

[www.sundaramfinance.in](http://www.sundaramfinance.in)

**Sponsor:** The Sponsor of Sundaram Mutual Fund is Sundaram Finance Limited. Sundaram Finance holds the entire paid capital of Sundaram Asset Management Company Limited and Sundaram Trustee Company Limited. A detailed background of the sponsor-Sundaram Finance Limited-is available in the Statement of Additional Information, which can be accessed at [www.sundarammutual.com](http://www.sundarammutual.com).

If you wish to reach indicated telephone number from outside India, please use +91 or 0091 followed by 44 and the eight number.

**Name of the Scheme**

Sundaram Large Cap Fund.

The scheme is an open-ended scheme.

**Scheme Type ( Fundamental Attribute)**

An open ended equity scheme investing predominantly in large cap stocks.

**Offer Price**

NAV

**Investment Objective: (Fundamental Attribute)**

The investment objective of the scheme is to generate capital appreciation by investing in large cap stocks.

**No Guarantee:** There is no guarantee or assurance that the investment objective of the scheme will be achieved. Investors are neither being offered any guarantee / indicated returns nor any guarantee on repayment of capital by the Schemes. There is also no guarantee of capital or return either by the Mutual Fund or by Trustees or by the Asset Management Company.

**Segregated Portfolio: Enabled**SOB  
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	Minimum	Maximum	Risk Profile
Equity & Equity related securities of large cap stocks <sup>@</sup>	80%	100%	High
Other Equity	0%	20%	High
Investment in overseas securities / ADR's / GDR's	0%	20%	High
Fixed Income and Money Market Instruments <sup>^</sup> / Cash & Cash equivalents	0%	20%	Low to Medium
Units issued by REITs / InvITs	0%	10%	Medium to High

<sup>@</sup>Large cap stocks are the first 100 companies in terms of full market capitalization. The list of large cap stocks will be determined by AMFI as per SEBI circular dated Oct 6, 2017 and will be disclosed on its website on a half yearly basis.

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<sup>^</sup>Money Market Instruments includes Certificate of Deposits, Commercial Papers, T Bills, Government Securities having an unexpired maturity up to 1 Year, Call or notice Money, Commercial Bills, Reverse Repo, TREPS and any other instruments as defined by RBI/SEBI from time to time.

Other Equity means stocks other than large cap stocks

- The scheme shall not invest in securitized debt or in credit default swap.
- The scheme shall not engage in short selling.
- The scheme shall engage in securities lending subject a maximum of 20% and 5% for a single counter party.
- The Scheme shall invest in ADR/GDR/Overseas securities upto 20% of the net assets
- The Scheme shall invest in repo in Corporate Bond upto 10% of the net assets of the scheme

- The Scheme may use derivatives for trading, investment, hedging and portfolio balancing.

Exposure to derivatives will be limited to 50% of the net asset value of the Scheme at the time of transaction.

Exposure is calculated as a percentage of the notional value to the net assets of the Scheme. The Scheme will maintain cash or securities to cover exposure to derivatives.

The cumulative gross exposure to equity, debt, money market instruments, REITs/InvITs and derivatives shall not exceed 100% of the net assets of the scheme, subject to SEBI circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 and Circular No SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021. The same-security-wise hedge positions would be excluded from computing the percentage.

Pending deployment and in line with the investment objective, the funds of the Scheme may be invested in short-term deposits with scheduled commercial banks in accordance with SEBI Circulars SEBI/IMD/CIR No.9/20306/03 dated November 12, 2003, SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007 and SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019.

Pending deployment of money, the scheme shall also invest in TREPS.

**Portfolio rebalancing/Changes in Investment Pattern:** Subject to SEBI Regulations, the asset allocation pattern may change from time to time for a short term and for defensive considerations, keeping in view the market conditions/ applicable regulations/political & economic factors, the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Rebalancing across sectors and stocks shall be a dynamic exercise as this is crucial to performance.

The Fund Manager of the Scheme shall examine factors such as the overall macro-economic conditions, valuation levels, sector-specific factors, company-specific factors and trends in liquidity, to name a few, and reduce the equity exposure, if warranted, to lower levels and raise the fixed income component of the portfolio as a tactical call.

The Fund Manager shall seek to raise the equity exposure if the environment is conducive. This process of rebalancing may take place in a dynamic manner on a regular basis. Cash calls (with deployment in appropriate money-market and fixed-income securities), derivatives, changes in the degree of overweight and underweight to sectors and changes in allocation levels to stocks with varying attributes be used to balance the portfolio.

If the macro-economic conditions and market levels warrant, the fund manager may on an exceptional basis, reduce the equity exposure and raise the fixed-income component of the portfolio beyond the asset allocation boundary indicated in the table for normal circumstances. Such an allocation in exceptional circumstances shall be adopted with the approval of the Investment Committee of Sundaram Asset Management.

In the event of deviations, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not rebalanced within 30 days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee of the Investment Manager,

shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

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### Benchmark

#### Nifty 100 TRI Index.

The Nifty 100 TRI index is a representation of the large cap stocks in the market.

The Scheme intends to predominantly invest in large cap stocks which is best captured by Nifty 100 TRI Index. Hence, it is an appropriate benchmark for the Scheme

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The Trustee reserves the right to change the Benchmark.

### Fund Managers

Rahul Baijal & S. Bharath (Equity)

Dwijendra Srivastava (Fixed Income)

Rohit Seksaria is the dedicated fund manager for investments in overseas securities.

The Trustee reserves the right to change the fund manager(s).

### Read Risk Factors

Prospective investors should not rely solely on the information contained in this Scheme Information Document. They should read the risk factors presented in this document and also note that the risk factors are only illustrative and not exhaustive. The Trustee accepts no responsibility for unauthorised information.

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### Summary of Indicative Scheme-Specific Risks

Investment in the scheme may be affected by risks associated with equities and fixed income securities.

The Scheme aims to provide long term capital growth by predominantly investing in large cap stocks. However, given the inherent risks of investing in equity markets, the value of the investments may go up or down.

The Scheme retains the flexibility to hold from time to time relatively more concentrated investments in a few sectors. This may make the Scheme vulnerable to factors that may affect these sectors in specific and may be subject to a greater level of market risk leading to increased volatility in the Scheme's NAV.

Changes in government policies may impact the performance of the Scheme.

The scheme shall engage in Securities lending, which includes risks such as counter party risk, liquidity risk and other market risks.

Investment in REITs/InvITs instruments involve risks such as Interest-Rate Risk, Risk of lower than expected distributions, Liquidity Risk, Price-Risk and etc.

The scheme may invest in ADR/GDR/Overseas Securities. These investments may expose the scheme to investment risks associated with such investments like currency risk etc.

The scheme may invest in Repo in Corporate Bonds. These investments may expose the scheme to investment risks associated with such investments for e.g. interest rate risk, credit risk, liquidity risk etc.,.

The Scheme may use derivative instruments for the purpose of trading, hedging and portfolio balancing, as permitted under the

Regulations. Usage of derivatives will expose the scheme to certain risks inherent to such derivatives.

Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered credit Rating agency (CRA) which involves Liquidity Risk & credit Risk and etc.

For detailed scheme-specific risk factor refer "Risk Factors" section of this document.

### Suitability

The fund is appropriate for investors who have a medium to long term investment horizon and a high risk-appetite as well as understand the risks involved in investing in equity as the value of their investments may go up or down. Further, the investment strategy that is adopted by the Investment Manager may be an aggressive approach in order to seek to optimise the objective the Scheme.

### Income Distribution Policy

The Trustee Company reserves the right to distribute income to the investors in IDCW options subject to availability of distributable surplus. Any distribution and frequency of distribution will be entirely at the discretion of the Trustee.

SEBI vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 has modified the procedure for declaration of IDCW upto monthly frequency. In compliance with the aforesaid SEBI Circular, the Board of Directors of Sundaram Asset Management Company Limited ("AMC") and Sundaram Trustee Company Limited ("Trustees") have approved the delegation of authority to the CEO/MD of the Company to declare and decide the quantum of IDCW upto monthly frequency

### Plans and Options

**Plans:** Regular Plan and Direct Plan

#### Options:

- Growth
- Income Distribution cum Capital Withdrawal (IDCW)
  - IDCW Payout
  - IDCW Reinvestment
  - IDCW Transfer

If no option is indicated, the default option will be Growth. If an investor chooses the IDCW Option but fails to indicate a sub option, the default sub-option shall be IDCW Transfer (Default destination Scheme- Sundaram Money Fund - Growth), when the IDCW payable is Rs. 500 or more. IDCW Reinvestment in the same scheme when IDCW payable is less than Rs.500 in the respective sub option.

All plans and options available for offer under the scheme will have a common portfolio

Direct Plan is only for investors who purchase /subscribe Units into the Scheme directly with the Fund and is not available for investors who invest through a Distributor.

Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund.

The expense ratio of Direct Plan shall be lower than that of the

Regular Plan as it shall exclude distribution expenses like commission, etc. No commission for distribution of Units will be paid / charged under Direct Plan. The options under direct plan will have a separate NAV.

Investors wishing to subscribe under Direct Plan of the Scheme will have to indicate "Direct Plan" in the application form.

The following matrix will be applied for processing the applications in the Regular or Direct Plan:

Broker Code mentioned by the investor	Plan mentioned by the investor	Plan under which units will be allotted
Not mentioned	Not mentioned	Direct Plan
Not mentioned	Direct	Direct Plan
Not mentioned	Regular	Direct Plan
Mentioned	Direct	Direct Plan
Direct	Not Mentioned	Direct Plan
Direct	Regular	Direct Plan
Mentioned	Regular	Regular Plan
Mentioned	Not Mentioned	Regular Plan

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

#### MF Utility Platform

All financial and non-financial transactions pertaining to Schemes of Sundaram Mutual Fund can be done through MFU either electronically on [www.mfuonline.com](http://www.mfuonline.com) or physically through the authorized Points of Service ("POS" of MFUI with effect from the respective dates as published on MFUI website against the POS locations. The list of POS of MFUI is published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com) as may be updated from time to time. The Online Transaction Portal of MFU i.e. [www.mfuonline.com](http://www.mfuonline.com) and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance ("OPA") of the AMC. The uniform cut-off time as prescribed by SEBI and as mentioned in the SID / KIM of respective schemes shall be applicable for applications received on the portal of MFUI i.e. [www.mfuonline.com](http://www.mfuonline.com). However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms & conditions as stipulated by MFUI / Mutual Fund / the AMC from time to time and any law for the time being in force.

#### Transaction Facility through Stock Exchange

A unit holder may subscribe (One-time & Systematic investments) and redeem units of the eligible Plan(s) and Option(s) under the Scheme through the Stock exchange(s) infrastructure of NSE MFSS and BSE Star platform. Please refer the segment on International Security Identification Number (ISIN) for the eligible Plan(s) and Option(s) available for transactions.

#### International Security Identification Number (ISIN)

The Investor has an option to hold the units either in the physical or demat mode in accordance with his/her own choice. International Security Identification Numbers (ISIN) in respect of the plans/options

of the schemes have been created and admitted in National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The details of ISIN are as follows:

Regular	Growth	INF903JA1IZ3
Regular	IDCW Payout	INF903JA1JA4
Regular	IDCW Reinvestment	INF903JA1JB2
Direct	Growth	INF903JA1JC0
Direct	IDCW Payout	INF903JA1JD8
Direct	IDCW Reinvestment	INF903JA1JE6

\*Post acquisition/merger, the ISINs are subject to change.

The ISINs as mentioned in the table above are also available for subscription and redemption in NSE MFSS and BSE Star platform. In case the unitholder desires to hold the units in Dematerialized / Rematerialized form at a later date, the request for conversion of units held in non-DEMAT form into DEMAT (electronic form) or vice-versa should be submitted along with a DEMAT/REMAT request form to their Depository Participants.

#### Minimum Investment Amount

**New Investor/Existing** – Rs.100/- for both IDCW and Growth Option and any amount thereafter under each Plan/ option.

**Systematic Investment Plan:** Minimum Six installments of Rs. 100/- for Monthly SIP, Rs.750 for Quarterly SIP, Rs.1,000 for Weekly SIP and any amount thereafter.

**SIP Dates:** Any Day (1st to 31st), Weekly (Every Wednesday)

#### Systematic Transfer Plan:

Daily: Rs.1,000/- (6 Instalments);

Weekly: Rs.1,000/-; (6 Instalments) Monthly: Rs.100/-(6 Instalments); Quarterly: Rs.750/- (6 Instalments)

Semi Annual /Annual : Rs.1000/- (6 Instalments)

**STP Dates:** 1st, 7th, 14th, 20th, 25th of every Month/Quarter/Semi-Annual/Annual, Weekly (Every Wednesday)

#### Systematic Withdrawal Plan:

Monthly / Quarterly / Semi Annual/ Annual : Rs.100/- (6 instalments)

**SWP Dates:** 1st, 11th, 21st

**SIP Top-up facility** – Half yearly/Annual Minimum 500 and in multiples of Re.1/-

**Minimum Redemption Limit** The minimum amount for redemption/switch out will be:

Regular & Direct Plan: Rs.100/- or 1 unit or account balance, whichever is lower.

#### Liquidity (Fundamental Attribute)

Purchase / Switch In: On any business day, at NAV.

Redemption / Switch Out: On any business day at NAV, subject to exit load, if any.

The redemption proceeds shall be dispatched to the unit holders within 10 business days from the date of redemption.

#### Load Structure

Type of Load	Load chargeable (as % age of NAV)
Entry	Nil
Exit	Nil - If up to 25% of the units invested are redeemed,

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withdrawn by way of SWP or transferred by way of STP within 365 days from the date of allotment .

If more than 25% of the units invested are redeemed, withdrawn by way of SWP or transferred by way of STP within 365 days from the date of allotment. - exit load of 1% of the applicable NAV will be charged.

For redemption or transfer by way of STP or withdrawal by way of SWP after 365 days from the date of allotment – Nil

Load structure is indicated as a percentage of applicable NAV.

Further, exit load will be waived on Intra-scheme and Interscheme Switch-outs

Any imposition or enhancement in the load shall be applicable on prospective investments only and will be calculated on First in First Out (FIFO) basis.

### Applicable NAV

Pursuant to SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2020/175 dated September 17, 2020, Investors are requested to note the revised provisions for applicability of NAV, with effect from February 1, 2021:

Applicable NAV for Subscriptions / Switch-ins (irrespective of application amount):

1. In respect of valid applications received upto 3.00 p.m on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Schemes before the cut-off time of the same day i.e., available for utilization before the cut-off time - the closing NAV of the day shall be applicable.
2. In respect of valid applications received after 3.00 p.m on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Schemes before the cut-off time of the next Business Day i.e available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.
3. Irrespective of the time of receipt of application at the official point(s) of acceptance, where funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Schemes before the cut-off time on any subsequent Business Day - i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable.
4. For Switch-ins of any amount:  
For determining the applicable NAV, the following shall be ensured:
  - Application for switch-in is received before the applicable cut-off time.
  - Funds for the entire amount of subscription / purchase as per the switch-in request are credited to the bank account of the Scheme before the cut-off time.
  - The funds are available for utilization before the cut-off time.
  - In case of 'switch' transactions from one scheme to

another, the allocation and settlement shall be in line with redemption payouts.

To clarify, for investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP) and Transfer IDCW, etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization before the cut-off time by the Target Scheme irrespective of the installment date of the SIP, STP or record date of IDCW.

### Transaction Charge to Distributors

- 1 The Distributor would be allowed to charge the Mutual Fund Investor a Transaction Charge where the amount of investment is Rs. 10,000/-and above on a per subscription basis
- 2 For an investor other than First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 100/- per subscription of Rs. 10,000/- and above

For a First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 150/- per subscription of Rs. 10,000/- and above

- 3 The Transaction Charge, where applicable based on the above criteria, will be deducted by the Investment Manager from the subscription amount remitted by the Investor and paid to the distributor; and the balance (net) amount will be invested in the scheme. Thus units will be allotted against the net investment.
  - 4 No Transaction charges shall be levied:
    - a) Where the distributor/agent of the investor has not opted to received any Transaction Charges;
    - b) Where the investor purchases the Units directly from the Mutual Fund;
    - c) Where total commitment in case of SIP / Purchases / Subscriptions is for an amount less than Rs. 10,000/-;
    - d) On transactions other than purchases / subscriptions relating to new inflows.
- Switches / Systematic Transfers / Allotment of Bonus Units / IDCW reinvestment Units / Transfer / Transmission of units, etc will not be considered as subscription for the purpose of levying the transaction charge.
- e) Purchases / subscriptions carried out through stock exchange(s).

The distributors can opt-in / opt-out of levying transaction charges based on 'type of the Product/Scheme' instead of 'for all Schemes'. Accordingly, the transaction charges would be deducted from the subscription amounts, as applicable.

However, the distributor shall not be able to opt-in or opt-out at the investor-level i.e. a distributor shall not charge one investor and choose not to charge another investor.

The transaction charges are in addition to the existing system of commission permissible to the Distributors. On subscription through Distributors, the upfront commission if any will be paid directly by the Investors to the Distributor by a separate cheque based on their assessment of various factors including the service rendered by the Distributor.

Any circular/clarification issued by SEBI in this regard will automatically become applicable and will be incorporated in the

SID/SAI/KIM wherever applicable.

### Initial Issue Expenses

Not applicable.

### Annual Fee & Recurring Expenses

The total annual recurring expenses of the Scheme, excluding deferred revenue expenditure written off, issue or redemption expenses, but including the investment management/advisory fee that can be charged to the scheme shall be within the limits specified in Regulation 52 of SEBI (Mutual Funds) Regulations. Details are available in Part IV of the Scheme Information Document. The Investment Management Fees and other recurring expenses will be calculated on the basis of daily net assets.

### Repatriation Basis

NRIs, registered FIIIs and registered sub account of FIIIs may invest in the Scheme on full repatriation basis, subject to necessary RBI approvals, if any.

**Minimum Redemption Limit** The minimum amount for redemption/switch out will be:

Regular & Direct Plan: Rs.100 or 1 units or account balance, whichever is lower. • STP (Weekly-processed on Wednesday's/next Business Day if Wednesday is not a Business Day): Rs 1000 • STP (Monthly): Rs 100 • STP (Quarterly): Rs 750 and any amount thereafter.

### Illustrative List of Tax Implications

#### For the Mutual Fund:

Income of Sundaram Mutual Fund: Exempt from Tax

#### For the investors:

Taxation of income distributed to IDCW option holders:

The Finance Act, 2020 abolished dividend distribution tax and instead introduced taxing of income from mutual fund units in the hands of the unit holders.

The act introduced withholding tax rate which are as follows:

Type of Investor	Withholding Tax rate	Section
Resident	10%*	194K
NRI/FPI	20%**	196A/196D

\* Tax not deductible if IDCW income in respect of units of a mutual fund is below Rs. 5,000 in a financial year.

\*\* The base tax is to be further increased by surcharge at the rate of:

- 37% on base tax where total income exceeds Rs. 5 crore;
- 25% where total income exceeds Rs. 2 crore but does not exceed Rs. 5 crore;
- 15% where total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore; and
- 10% where total income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore

Further, "Health and Education Cess" is to be levied at 4% on aggregate of base tax and surcharge.

### Taxation of Capital Gains

Transaction	Short-term capital gains <sup>(a)</sup>	Long-term capital gains <sup>(a)(b)</sup>
Sale transactions of equity shares and unit of an equity oriented fund both of which attract STT	15%	10%*

Sale transaction other than mentioned above:

Individuals (resident and non-residents)	Progressive slab rates	20% / 10% <sup>(c)</sup>
Firms (resident and non-residents)	30%	20% / 10% <sup>(c)</sup>
Resident companies	30% / 25% <sup>(d)</sup> / 22% <sup>(e)</sup> / 15% <sup>(f)</sup>	20% / 10% <sup>(c)</sup>
Overseas financial organizations specified in section 115AB	40% (corporate) 30% (non corporate)	10%
FIIIs	30%	10%
Other Foreign companies	40%	20% / 10% <sup>(c)</sup>
Local authority	30%	20% / 10%
Co-operative society rates	Progressive slab	20% / 10%

\* Finance Act, 2018 terminates the exemption granted under section 10(38) to long term capital gains arising on transfer of listed shares or units of equity oriented mutual funds or units of business trusts by introduction of section 112A to provide that long term capital gains arising from transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% without indexation and without foreign currency fluctuation benefit of such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if securities transaction tax (STT) has been paid on both acquisition and transfer in case of equity shares and on transfer in case of units of equity-oriented mutual funds or units of business trust. Further, the amendment to section 55 of the Act provides for a grandfathering provision upto January 31, 2018.

(a) Applicable Surcharge on tax payable - (Dividend and Capital gains):

#### 1. Individual/HUF

- 37% on base tax where specified income exceeds Rs. 5 crore;
- 25% where specified income exceeds Rs. 2 crore but does not exceed Rs. 5 crore;
- 15% where total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore; and
- 10% where total income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore.

Specified income – Total income excluding income under the provisions of section 111A and 112A of the Act

#### 2. Domestic Company

Surcharge at 7% on base tax is applicable where total income of domestic corporate unit holders exceeds Rs 1 crore but does not exceed 10 crores and at 12% where total income exceeds 10 crores. However, surcharge at flat rate of 10 percent to be levied on base tax for the companies opting for lower rate of tax of 22%/15%.

Further, Health and Education Cess to be levied at the rate of 4% on aggregate of base tax and surcharge

- (b) Indexation benefit, as applicable.
- (c) Long term capital gains arising to a non-resident from transfer of unlisted securities or shares of a company, not being a company in which the public are substantially interested, subject to 10 per cent tax (without benefit of indexation and foreign currency fluctuation)
- (d) If total turnover or gross receipts of the financial year 2019-20 does not exceed Rs. 400 crores.
- (e) This lower rate is optional and subject to fulfillment of certain conditions as provided in section 115BAA
- (f) This lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfillment of certain conditions as provided in section 115BAB
- (g) co-operative societies have the option to be taxed at progressive slab rates or 20% subject to fulfillment of certain conditions as provided in section 115BAD.
- (h) The base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take fair market value of the asset as on that date.
- (i) Further, the domestic companies are subject to minimum alternate tax (except for those who opt for lower rate of tax of 22%/15%) not specified in above tax rates.

Tax will be deducted at the time of redemption / switch out of units in case of NRI investors only at the applicable rates.

#### Taxability of segregated portfolios of a mutual fund scheme

The Finance Act, 2020 has rationalized capital gains taxability in relation to mutual fund portfolio segregation as per SEBI regulations as follows:

- The period of holding for units in the segregated portfolio to be reckoned from the period for which the original units in the main portfolio were held by the taxpayer.
- Acquisition cost of units in segregated portfolio to be proportionate to the NAV of assets transferred to the segregated portfolio to the NAV of the total portfolio immediately before the segregation. The cost of acquisition of the original units in the main portfolio to be reduced by the acquisition cost of units in the segregated portfolio.

The information is provided for general purpose only. Investors are advised to seek the legal opinion before making any investments.

Investors should also refer to the Statement of Additional Information available at [www.sundarammutual.com](http://www.sundarammutual.com) for more details.

#### Valuation of Assets

The assets of the Scheme will be valued in conformity with SEBI Regulations / Guidelines as applicable from time to time. For more details please refer to Statement of Additional Information(SAI). Valuation of securities will be based on the principles laid down by SEBI, as amended from time to time. The detailed policy on valuation of securities is available in the Investment Manager's website, [www.sundarammutual.com](http://www.sundarammutual.com) and in Statement of Additional Information.

#### Transparency: NAV

Investment manager calculates and discloses the NAVs of the scheme on all business days. The Investment Manager will prominently disclose the NAVs of all schemes under a separate head on its website and on the website of association of Mutual Funds in India (AMFI). Further, the Investment Manager will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

NAV will be updated on the websites of Sundaram asset Management ([www.sundarammutual.com](http://www.sundarammutual.com)) and the association of Mutual Funds of India ([www.amfiindia.com](http://www.amfiindia.com)) Sundaram asset Management shall update the NAVs on the website of association of Mutual Funds in India before 11.00 p.m. every business day.

In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of working hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

#### Information Access

Investors may access NAV, performance charts, portfolio details, Scheme features, fact sheet, product note/guide, Scheme Information Document, Statement of Additional Information, FAQs and any relevant Scheme-specific material on [www.sundarammutual.com](http://www.sundarammutual.com).

#### Investor Relations Manager

##### Mr. Dhiren H Thakker

Head- Customer Services  
Sundaram Asset Management Company Limited  
Satellite Gazebo, Unit no. 101/102, B Wing,  
B D Sawant Marg, Chakala,  
Andheri-Ghatkopar Link Road,  
Andheri (East), Mumbai – 400 093.  
Contact No. 1860 425 7237 (India) +91 40 2345 2215 (NRI)  
Email us at : [customerservices@sundarammutual.com](mailto:customerservices@sundarammutual.com)  
(NRI): [nriservices@sundarammutual.com](mailto:nriservices@sundarammutual.com)

#### Custodian

Standard Chartered Bank, Mumbai registered with SEBI, vide Registration No IN/CUS/006, has been appointed custodian for the securities in the Scheme. The responsibilities of the custodian include:

- to keep in safe custody all the securities and instruments belonging to the Scheme;
- to ensure smooth inflow/outflow of securities and instruments as and when necessary in the best interest of the investors;
- to ensure that the benefits due on the holdings are received;
- to be responsible for the loss or damage to the securities due to negligence on its part or on the part of its approved agents.

The Trustee reserve the right to appoint any other custodian(s) approved by SEBI.

#### Fund Accountant:

##### Sundaram Fund Services Limited

CIN:U67120TN2008PLC068388  
No. 221 (Old No.162), Metro Plaza, 1st Floor,  
Above Raymond's Showroom,  
Anna Salai (Mount Road),  
Chennai - 600 002.



The activities inter-alia include:

- i. Record schedules and tailor-made client reports.
- ii. Coordinate preparation of annual accounts and audit unit trusts and custodian accounts.

However, the Fund administration part would continue to be handled by the Operations Department of the Investment Manager.

### Registrar

#### KFin Technologies Private Limited

CIN: U72400TG2017PTC117649

Unit: Sundaram Mutual Fund,

Tower- B, Plot No. 31 & 32, Selenium building Gachibowli Road Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032.

Contact No.: 1860 425 7237 (India) +91 40 2345 2215 (NRI)

Email us at : customerservices@sundarammutual.com

### Information to Unit Holders

On acceptance of a valid application for subscription, units will be allotted and a confirmation specifying the number of units allotted by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the Unit holder's registered e-mail address and/or mobile number. Subject to SEBI Regulations, Statement of Accounts will be sent in physical to those unitholders whose registered email address / mobile number is not available with the Mutual Fund. Money would be refunded in respect of applications rejected, within five business days from the date of credit identification.

### Periodical updates

Any circular/clarification issued by SEBI will automatically become applicable and shall be incorporated in the SID/SAI/KIM wherever applicable.

Pursuant to SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2020/197 dated October 05, 2020 The Investment Manager shall disclose the portfolio (along with ISIN and Risk-o-meter) as on the last day of the month / half-year for all the schemes in its website [www.sundarammutual.com](http://www.sundarammutual.com) and on the website of AMFI within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable machine readable format. Any Change in the risk-o-meter will be communicated to the unit holders on the monthly basis.

In case of unitholders whose e-mail addresses are registered, the Investment Manager will send via email both the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month/ half-year respectively.

Pursuant to SEBI Circular SEBI/HO/IMD/DF3/CIR/P/2020/197 dated 5th October 2020 any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme.

### Half-Yearly Disclosure

The Investment Manager will publish an advertisement every half-year disclosing the hosting of the half-yearly 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 unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Such advertisement will be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

The Investment Manager will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

Sundaram Mutual fund shall make half yearly disclosures of unaudited financial results on its website [www.sundarammutual.com](http://www.sundarammutual.com) in the prescribed format within one month from the close of each half year, i.e. on 31st March and on 30th September. The half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of the mutual fund. In addition, Sundaram Mutual Fund shall publish an advertisement disclosing the hosting of such financial results in its website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of Sundaram mutual fund is situated.

### Annual Report

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular No. Cir/IMD/ DF/16/2011 dated September 8, 2011, read with SEBI Mutual Fund (Second Amendment) Regulation 2018, the Scheme-wise annual report or an abridged summary thereof shall be provided by AMC/Mutual Fund within four months from the date of closure of relevant accounting year in the manner specified by the Board.

The scheme wise annual report will be hosted on the websites of the Investment Manager and AMFI. The Investment Manager will display the link on its website and make the physical copies available to the unitholders, at its registered offices at all times.

The Investment Manager will e-mail the scheme annual reports or abridged summary thereof to those unitholders, whose email addresses are registered with the Mutual Fund.

The Investment Manager will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unitholder. The unit holders, if they so desire, may request for the annual report of the AMC. Further, the annual report of AMCs shall be displayed on their websites in machine readable format.

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## Investment Objective &amp; Asset Allocation of existing comparable Equity Schemes of Sundaram Mutual Fund

	Name of the Scheme	Asset Allocation Pattern	Investment Objective	Differentiation
1	Sundaram Mid Cap Fund	Equity and equity-related instruments of mid cap companies: 65-100% • Other Equities: 0-35% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-35% • Investment in REITs & InvITs: 0-10% • Overseas Securities (including ETFs) 0-35% of the net asset	The objective of the scheme is to achieve capital appreciation by investing predominantly in diversified stocks that are generally termed as mid-cap stocks	The fund is a pure mid-cap fund. This fund falls in the Mid Cap Category as per SEBI Categorization
2	Sundaram Small Cap Fund	Equity & Equity related instruments of Small cap companies: 65%-100% • Other Equities 0-35% • High Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-35% • Investment in REITs & InvITs: 0-10% • Medium to High Overseas Securities (including ETFs) 0-35% of the net asset	The objective of the scheme is to achieve capital appreciation by investing predominantly in diversified stocks that are generally termed as small-cap stock	The fund is Small Cap fund. This fund falls in the Small Cap Category as per SEBI Categorization
3	Sundaram Large and Mid Cap Fund	Equity and equity-related instruments of large cap companies: 35-65% • Equity and equity-related instruments of mid cap companies: 35-65% • Other Equities: 0-30% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: Upto 30% • Low to Medium Investment in REITs & InvITs: 0-10% • Overseas Securities (including ETFs) 0-30% of the net assets	To seek capital appreciation by investing predominantly in equity and equity related instruments in large and mid cap stocks.	This fund falls in the Large and Mid Cap category as per SEBI Categorization
4	Sundaram Equity Fund	Equity and equity-related instruments of across market capitalisation: 65-100% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-35%	The investment objective of the scheme is to generate capital appreciation by investing in a diversified portfolio of equity & equity related instruments across market capitalisation	This fund falls in the Multi Cap category as per SEBI Categorization
5	Sundaram Services Fund	Equity and equity related securities related to services sector: 80-100% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-20%	To seek capital appreciation by investing in equity / equity related instruments of companies who drive a majority of their income from business predominantly in the Services sector of the economy. However, there can be no assurance that the investment objective of the Scheme will be realized. Services sector include healthcare, Fitness, tourism & hospitality, transportation & Logistics, education, Staffing, Wealth management, media, Retail, aviation, Legal, architecture and Design services	This fund falls in the Thematic/Sectoral Category as per SEBI Categorization, which predominantly invests in businesses in the Services Sector

	Name of the Scheme	Asset Allocation Pattern	Investment Objective	Differentiation
6	Sundaram Rural and Consumption Fund	Equity and equity related securities of companies engaged in rural and/or consumption sector: 80-100% • Other Equities: 0-20% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: 0-20% • Investment in REITs & InvITs 0-10% • Overseas Securities (Including ETFs) 0-20% of the net assets	The primary investment objective of the Scheme is to generate returns by investing predominantly in equity / equity-related instruments of companies engaged in rural and/or consumption business	This fund falls in the Thematic/Sectoral Category as per SEBI Categorization, which predominantly invests in rural and consumption space
7	Sundaram Infrastructure Advantage Fund	Equity and Equity related instruments of companies Engaged in Infrastructure sector: 80-100% • Other Equities: Upto 20% • Fixed Income Instruments issued by Companies engaged in Infrastructure Sector: Upto 20% • Money Market Instruments and Cash & Cash Equivalents: Upto 20% • Investment in REITs & InvITs: 0-10% • Overseas Securities (including ETFs) 0-20% of the net assets	To generate long-term returns by investing predominantly in equity / equity-related instruments of companies engaged either directly or indirectly in infrastructure - and infrastructure related activities or expected to benefit from the growth and development of infrastructure	This fund falls in the Thematic/Sectoral Category as per SEBI Categorization, which predominantly invests in Infrastructure Sector
8	Sundaram Financial Services Fund	Equity & Equity Related Instruments of companies engaged in Banking and Financial Services: 80-100% • Other Equities: Upto 20% • Fixed Income, Money Market instruments and Cash & Cash Equivalents: Upto 20% • Investment in REITs & InvITs: 0-10% • Overseas Securities (Including ETFs) 0-20% of the net asset	To seek long-term capital appreciation by investing predominantly in equity and equity related securities of Indian companies engaged in the banking and financial services sector	This fund falls in the Thematic/Sectoral Category as per SEBI Categorization, which predominantly invests in Financial Services Sector
9	Sundaram Diversified Equity Fund	Equity & equity-related instruments: 80-100% • Corporate and PSU Bonds Up to 20% • Money market instruments: Up to 20%. In conformity with GOI notification dated 28-Dec-1992 on ELSS 1992,	To achieve capital appreciation by investing predominantly in equities and equity-related instruments. A three-year lock-in period shall apply in line with the regulation for ELSS Scheme	The fund is a ELSS framed in accordance with the Central Government notifications

**Differentiating aspect of Sundaram Large Cap Fund:** This fund is an open ended equity scheme predominantly investing in large cap stocks. This fund will be categorised under Large Cap Fund as per SEBI Categorization. This fund will invest in equity & equity related instruments of large cap companies. Sundaram Asset Management Company Limited do not have any other fund in this category.

## Investment Objective &amp; Asset Allocation of existing comparable Equity Schemes of Sundaram Mutual Fund

Fund/Benchmark	Returns (in %)					Folios	AUM
	Launched in	One year	Three years	Five years	Since Inception	#	(Rs. Crore)
<b>Equity Hybrid</b> <i>CRISIL Hybrid 35+65 - Aggressive Index</i>	<b>Jun-00</b>	<b>46.3</b> 49.8	<b>10.7</b> 12.9	<b>13.0</b> 13.6	<b>12.2</b>	<b>50,432</b>	<b>1,671</b>
<b>Global Brand Fund</b> <i>Dow Jones Industrial Average TRI Index</i>	<b>Sep-07</b>	<b>44.7</b> 48.6	<b>10.9</b> 18.0	<b>12.1</b> 18.3	<b>6.3</b> 14.4	<b>9,497</b>	<b>58</b>
<b>Financial Services Opportunities</b> <i>Nifty Financial Services Index</i>	<b>Jun-08</b>	<b>71.0</b> 69.1	<b>12.5</b> 16.0	<b>15.9</b> 19.8	<b>13.9</b> 16.4	<b>29,514</b>	<b>328</b>
<b>Infrastructure Advantage</b> <i>S&amp;P BSE 100 Index</i>	<b>Sep-05</b>	<b>86.8</b> 73.5	<b>5.1</b> 13.7	<b>11.7</b> 15.2	<b>9.4</b> 13.2	<b>1,25,197</b>	<b>551</b>
<b>Rural and Consumption Fund</b> <i>Nifty 500 Index</i>	<b>May-06</b>	<b>55.3</b> 77.6	<b>6.4</b> 12.6	<b>13.6</b> 15.2	<b>11.3</b> 11.0	<b>87,197</b>	<b>1,335</b>
<b>Large &amp; Midcap</b> <i>Nifty Large Mid Cap 250 Index</i>	<b>Feb-07</b>	<b>70.9</b> 85.9	<b>11.4</b> 12.8	<b>15.2</b> 16.4	<b>11.1</b> 12.6	<b>1,04,841</b>	<b>1,479</b>
<b>Small Cap</b> <i>S&amp;P BSE Smallcap Index</i>	<b>Feb-05</b>	<b>102.4</b> 127.5	<b>2.6</b> 2.8	<b>10.8</b> 12.0	<b>15.8</b> 12.7	<b>1,00,446</b>	<b>1,247</b>
<b>Diversified Equity</b> <i>S&amp;P BSE 200 Index</i>	<b>Nov-99</b>	<b>70.1</b> 76.3	<b>7.0</b> 13.8	<b>11.8</b> 15.5	<b>16.1</b> 13.5	<b>2,23,713</b>	<b>2,303</b>
<b>Select Focus</b> <i>Nifty 50 Index</i>	<b>Jul-02</b>	<b>60.9</b> 72.5	<b>12.4</b> 14.6	<b>14.2</b> 15.1	<b>18.2</b> 17.3	<b>99,484</b>	<b>1,217</b>
<b>Mid Cap</b> <i>S&amp;P BSE Midcap Index</i>	<b>Jul-02</b>	<b>74.8</b> 103.9	<b>5.0</b> 9.1	<b>11.9</b> 14.3	<b>24.2</b> 20.4	<b>3,49,219</b>	<b>6,148</b>
<b>Smart NIFTY 100 Equal Weight Fund</b> <i>NIFTY 100 Equal Weighted Index</i>	<b>Jan-17</b>	<b>75.6</b> 80.2	<b>8.2</b> 9.5		<b>9.8</b> 11.4	<b>3,269</b>	<b>27</b>
<b>Sundaram Services Fund</b> <i>S&amp;P BSE 200 Index</i>	<b>Sep-18</b>	<b>69.8</b> 76.3			<b>18.9</b> 13.0	<b>89,952</b>	<b>1,319</b>
<b>Sundaram Equity Savings Fund</b> <i>Nifty Equity Savings Index</i>	<b>Dec-18</b>	<b>22.3</b> 26.4			<b>7.3</b> 10.7	<b>101</b>	<b>4,485</b>
<b>Sundaram Balanced Advantage Fund</b> <i>CRISIL Hybrid 50% + 50% Moderate Index</i>	<b>Mar-20</b>	<b>33.3</b> 39.2			<b>29.3</b> 22.5	<b>30,009</b>	<b>890</b>
<b>Sundaram Arbitrage Fund</b> <i>NIFTY 50 Arbitrage Index</i>	<b>Feb-20</b>	<b>3.0</b> 2.3			<b>3.5</b> 2.4	<b>2,425</b>	<b>48</b>
<b>Sundaram Equity Fund</b> <i>S&amp;P BSE 500</i>	<b>Sep-19</b>	<b>71.2</b> 89.9			<b>19.4</b> 27.9	<b>45,591</b>	<b>666</b>

**Past performance may or may not be sustained in the future;** Returns in %. Returns computed on compounded annualised basis based on the NAV of Regular Plan -Growth option. Performance, Folios & AUM as on March 31, 2021; Relevant benchmarks highlighted in italics.

**Detailed Scheme-Specific Risks**

- Investment in the scheme may be affected by risks associated with equities and fixed income securities.
- The Scheme aims to provide long term capital growth by predominantly investing in large cap stocks. However, given the inherent risks of investing in equity markets, the value of the investments may go up or down.
- The Scheme retains the flexibility to hold from time to time relatively more concentrated investments in a few sectors. This may make the Scheme vulnerable to factors that may affect these sectors in specific and may be subject to a greater level of market risk leading to increased volatility in the Scheme's NAV.
- Changes in government policies may impact the performance of the Scheme.
- The scheme shall engage in Securities lending, which includes risks such as counter party risk, liquidity risk and other market risks.
- Investment in REITs/InvITs instruments involve risks such as Interest-Rate Risk, Risk of lower than expected distributions, Liquidity Risk, Price-Risk and etc.
- The scheme may invest in ADR/GDR/Overseas Securities. These investments may expose the scheme to investment risks associated with such investments like currency risk etc.
- The scheme may invest in Repo in Corporate Bonds. These investments may expose the scheme to investment risks associated with such investments.
- The Scheme may use derivative instruments for the purpose of trading, hedging and portfolio balancing, as permitted under the Regulations. Usage of derivatives will expose the scheme to certain risks inherent to such derivatives.
- Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered credit Rating agency (CRA) which involves Liquidity Risk & credit Risk and etc.

SOB  
No.2**Standard Risk Factors:**

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

setting up the Fund.

- The Scheme is not a guaranteed or assured return Scheme.

**General Risk Factors**

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- The main types of risks to which the Scheme is exposed are risk of capital loss, market risk, currency risk, liquidity risk, credit risk, counter party default risk, to name a few.
- As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets.
- The NAV may be affected by factors such as market conditions, level of interest rates, market-related factors, trading volumes, settlement periods, transfer procedures, price/interest rate risk, credit risk, government policy, volatility and liquidity in markets, exchange rate, geo-political development, to name a few.
- Trading volumes in the securities in which the Scheme invest may inherently restricts the liquidity of the Scheme's investments.
- Change in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors in the Scheme.
- The tax benefits available under the Scheme is as available under the present taxation laws and subject to relevant conditions. The information given is included for general purposes only and is based on advice that the Investment Manager has received regarding the law and the practice that is now in force in India.
- Unit holders should be aware that the relevant fiscal rules and their interpretation might 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/Unit holder is advised to consult his/her own professional tax advisor.
- Investors/unit holders are also urged to read the detailed clause(s) titled 'Special considerations'.
- FATCA imposes tax withholding upto 30% on any payments (including redemption and IDCW proceeds) made by the Fund/AMC to a US Person classified as recalcitrant account holder in respect of whom the applicable documentation and reporting requirements are not met

This is only an illustrative list and not an exhaustive list of factors that could affect the NAV of the Scheme. They should read the risk factors presented in this document though the list is no way exhaustive. Potential investors should not rely solely on the information contained in this Scheme Information Document and are advised to consult their investment advisors before taking investment decisions.

SOB  
No.2



### Risk of Capital Loss

The Net Asset Value (NAV) of the Scheme is exposed to market fluctuations, and its value can go up as well as down. Investors may lose their entire principal.

### Risk Factors - Equity Markets

- **Stock Market Volatility:** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. The stock-specific volatility may also change over a period of time as the characteristic of the stock undergoes a change in terms of market-cap category.
- **Equity Price Risk:** Stock prices may rise or decline based on a number of factors. These could be a combination of company-specific and system-specific factors. Their impact on different types of stocks may vary. Prices change due to events that impact entire financial markets or industries (for example, changes in inflation, consumer demand, supply situation and GDP growth). Company-specific factors may include the likes of success or failure of a new product, mergers, takeovers, earnings announcement and changes in management, to name a few. Securities owned by the Scheme may offer opportunities for growth because of high potential earnings growth; they may also involve greater risks than securities that do not have the same potential.
- **Dependency Risk:** The Scheme may invest in stocks and mutual funds and exchange-traded funds linked to stocks. Equity confers a proportionate share of the ownership of a company. Its value will depend on the success of the company's business, income paid to stockholders by way of dividend, the value of the company's assets, quality of its corporate governance practice, its attractiveness relative to peers and general market conditions. The fund may also invest in convertible securities and warrants. Convertible securities generally are fixed-income securities or preference shares that may be converted into common stock after a prescribed period. The prices of these convertible securities can go up and down and is dependent on both factors affecting the equity (general and company specific) and fixed income markets (general and company specific)..
- **Non-diversification Risk:** The Scheme may pursue only a limited degree of diversification. It may invest a greater proportion of assets in the securities of one issuer (within the limit permitted by Regulation) as compared to a diversified fund. This could have implications for the performance of the Scheme. The Scheme may be more sensitive to economic, business, political or other changes and this may lead to sizeable fluctuation in the Net Asset Value of the Scheme.
- **Asset-Class Risk:** Stocks have historically outpaced other asset classes such as gold, fixed deposits and bonds, to name a few, over the long-term in India. Individual stocks prices may, however, tend to rise and decline in a dramatic manner. Such price movement may be due to company-specific aspects or factors such as inflation, interest rates and growth rates that affect the securities market in entirety. A slowdown in growth or a partial or full-blown recession

may have a negative impact on prices of most stocks owned by the Scheme.

### Risk Factors - Debt Markets

- **Interest Rate Risk:** Changes in the prevailing rates of interest may affect the value of the Scheme's holdings and consequently the value of the Scheme's Units. Increased rates of interest, which frequently accompany inflation and /or a growing economy, may have a negative effect on the value of the Units. The value of debt securities held by the Scheme generally will vary inversely with the changes in prevailing interest rates.  
While it is the intent of the fund manager to invest primarily in high rated debt securities, the Scheme may from time to time invest in higher yielding, low rated securities. As a result, an investment in the Scheme may be accompanied by a higher degree of risk relative to an investment consisting exclusively of high rated, lower yielding securities.
- **Credit Risk:** Credit Risk refers to the risk of failure of interest (coupon) payment and /or principal repayment. All debt instruments carry this risk. Government securities carry sovereign credit risk. The assets of the Scheme may be partly invested in fixed income securities issued by a corporate entity, bank, financial institution and/or a public sector undertaking owned by the Government of India or by a government in any state. The credit risk associated with the aforementioned issuers of debt is higher than that of government securities.
- **Price Risk:** As long as the Scheme remains invested, its Net Asset Value (NAV) would be exposed to market fluctuations, and its value can go up as well as down. The portfolio of fixed-income securities that the Scheme invests in would be exposed to price changes on a day-to-day basis.
- These price changes may occur due to instrument-specific factors as well as general macroeconomic conditions. In general, price of fixed-income securities go up when interest rates fall, and vice versa.
- **Market Risk:** The Scheme may also be subject to price volatility due to such factors as interest sensitivity, market perception or the creditworthiness of the issuer and general market liquidity.
- **Liquidity Risk:** A lower level of liquidity affecting an individual security (ies) or an entire market may have an adverse bearing on the value of the Scheme's assets. This may more importantly affect its ability to sell particular securities with minimal impact cost as and when necessary to meet requirement of liquidity or to sell securities in response to triggers such as a specific economic/corporate event. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of a few of the investments.
- **Risk relating to investment pattern:** Different types of securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly the Scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate debt carry credit risk unlike Government securities. Further even among corporate debt, AAA rated debt is comparatively less risky (in credit risk terms) than those rated lower (say AA or A).
- **Risks relating to duration:** Fixed Income securities of any issuer that has higher duration could be more risky in terms of price movements relative to those with lower duration. Thus any

impact of interest rate changes would be higher on securities with higher duration irrespective of the status of the issuer of the security.

- **Limited Liquidity & Price Risk:** Presently, secondary market for fixed income securities is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
- **Limited Recourse, Delinquency and Credit Risk:** Securitised transactions are normally backed by a pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the servicer may repossess and sell the underlying Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.
- **Risks due to possible prepayments: Weighted Tenor / Yield:** Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments Full prepayment of underlying loan contract may arise under any of the following circumstances;
  - Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or
  - Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
  - The servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same.

In the event of prepayments, investors may be exposed to changes in tenor and yield.
- **Bankruptcy of the Originator or Seller:** If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a "True Sale". Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.
- **Credit Rating of the Transaction / Certificate:** The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the

market price of the Certificate or its suitability to a particular investor. There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

- **Risk of Co-mingling:** The AMC may deposit subscriptions into a General Collection account from where it will be transferred into the specific Scheme account later. In the interim, there is a risk of co-mingling of funds.

### Risk Factors - Derivatives

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Derivatives are highly leveraged instruments. Even a small price movement in the underlying instrument could have a large impact on their value. Also, the market for derivative instruments is nascent in India.

The Scheme may use techniques such as interest rate swaps, options on interest rates, futures, warrants, forward rate agreement and other derivative instruments that are / may be permitted under SEBI/RBI Regulation. These techniques and instruments, if imperfectly used, have the risk of the Scheme incurring losses due to mismatches, particularly in a volatile market. The Scheme ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any).

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.

The Scheme may also use various derivative and hedging products from time to time, as would be available and permitted by SEBI/RBI, in an attempt to protect the value of the portfolio.

As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand.

Derivative products are specialised instruments that require investment techniques and risk analysis. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly.

- **Counter Party Risk:** This is the risk of default of obligations by the counter party.
- **Market risk:** Derivatives carry the risk of adverse changes in the market price.
- **Illiquidity risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
- **Basis Risk:** the risk that the movements in swap rates does not actually reflect the expected movement in benchmark

rates, thus, creating a mismatch with what was intended.

#### Risk Factors of covered call option strategy:

- **Opportunity loss:** Selling call option means Investment manager are obligated to deliver the stock at predetermined price. In case when the stock price move above the predetermined price, the upside opportunity is lost on the stock, because the Investment Manager had sold a call option

#### Risk Factors - Overseas Investments

As the Scheme will invest in global markets; investors will be exposed to several risk factors that are not relevant for the Scheme that invests in Indian securities. A few types of risks are:

- **Foreign Exposure and Currency Risk:** The Scheme may invest in overseas securities that are issued and traded in foreign currencies. As a result, their values may be affected by changes in exchange rates between foreign currencies and the Indian Rupee as well as between currencies of countries other than India. Restrictions on currency trading that may be imposed will have an adverse effect on the value of the securities of companies that trade or operate in such countries.
- **Country Risk:** This refers to inability of a country to meet its financial obligations for economical, political or geo-political reasons. The degree of this risk may vary from country to country.
- **Event Risk:** Diplomatic and political developments, including rapid and adverse political changes, social instability, regional conflicts, terrorism and war, could affect the economies, industries and securities and currency markets, and the value of the Scheme's investments. These factors are extremely difficult, if not impossible, to predict and take into account with respect to the Scheme's investments.
- **Restrictions imposed overseas:** Changes in local regulation can affect the local financial markets and restrictions on investment by overseas investors be imposed; introduction of exchange controls and immobilisation of foreigner financial assets can occur. In contrast, an improvement in country risk rating may take a substantially longer period.
- **Emerging Markets Risk:** Emerging market countries include those currently considered to be developing by the World Bank, the International Finance Corporation, the United Nations, the countries' authorities or countries that are treated as emerging markets by index service providers at the global level. These countries typically are located in the Asia- Pacific region, Eastern Europe, Central and South America and Africa. Emerging markets are comparatively smaller than developed markets. They are characterised by high degree of market-price and currency volatility and declines of more than 50% are not unusual. Markets that are generally considered to be liquid may become illiquid for short or extended periods.
- **Regulation-Change Risk:** If the Government of India, RBI and/or SEBI decide to alter the regulatory framework for investment in overseas financial assets by mutual funds, it may have an impact on the Scheme's ability to adhere to the investment objective. If and when such an eventuality

materialises, the Trustee reserves the right to alter the investment objective of the Scheme or wind up the Scheme. In such cases of fundamental attribute change, the procedure in accordance with SEBI Regulations as highlighted in this document under the heading "F. Fundamental Attributes" will be adhered to.

#### Risk Factors - ADR/GDR

ADR/GDR are exposed to all same risks that equity stocks are exposed to like price volatility, liquidity, financial and business status of the underlying company, corporate governance, economic factors etc.

#### Risk Factors - Securities Lending

Securities Lending means the lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The borrower will return the securities lent on the expiry of the stipulated period or the lender can call the same back i.e. the scheme before its expiry. The fund may lend the securities for a specific period, to generate better returns on those stocks, which are otherwise bought with the intention to hold for a long period of time. Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI Circular No MFD/CIR/01/ 047/99 dated February 10, 1999, SEBI Circular no. SEBI /IMD / CIR No 14 / 187175/ 2009 dated December 15, 2009 and framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/ Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme seeks to engage in Securities Lending.

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

1. The scheme shall engage in securities lending subject to applicable regulations and limits.
2. The exposure to a single approved intermediary will not exceed 5% of the Total Assets of the Scheme.

**Risk associated with Securities Lending:** Risks associated with Securities Lending may include counter party risk, liquidity risk and other market risks.

#### Risk Factors - Repo in Corporate Bond

Participation of scheme of Sundaram Mutual Fund in repo of corporate debt securities. Presently, the Scheme invests in repo on Government Securities, Treasury Bills and other money market instruments. It is also proposed to invest in the repo of corporate debt securities.

In accordance with SEBI circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and CIR/IMD/DF/23/2012 dated November 15, 2012; scheme of Sundaram Mutual Fund (SMF) shall participate in the corporate bond repo transactions w.e.f. June 21, 2013 as per the guidelines issued by Reserve Bank of India (RBI) from time to time.

Currently the applicable guidelines are as under:

- The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned scheme.
- The cumulative gross exposure through repo transactions in

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corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.

- Mutual Funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 44 (2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

The investment restrictions applicable to the Scheme's participation in the corporate bond repos will also be as prescribed or varied by SEBI or by the Board of Sundaram Trustee Company Limited (subject to SEBI requirements) from time to time.

The following guidelines shall be followed by Sundaram Mutual Fund for participating in repo in corporate debt securities, which have been approved by the Board of AMC and Trustee Company.

- (i) Category of counterparty to be considered for making investment:

All entities eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo transactions.

- (ii) Credit rating of counterparty to be considered for making investment

The schemes shall participate in corporate bond repo transactions with counterparties having a minimum investment grade rating and is approved by the Investment/Credit Committee on a case-to-case basis. In case there is no rating available, the Investment/Credit Committee will decide the rating of the counterparty, and report the same to the Board from time to time.

- (iii) Tenor of Repo and collateral As a repo seller, the scheme will borrow cash for a period not exceeding 6 months or as per extant regulations.

There shall be no restriction / limitation on the tenor of collateral.

- (iv) Applicable haircuts As per RBI circular RBI/2012-13/365 IDMD.PCD. 09/14.03.02/2012-13 dated 07/01/2013, all corporate bond repo transaction will be subject to a minimum haircut given as given below:

- (1) AAA : 07.50%
- (2) AA+ : 08.50%
- (3) AA : 10.00%

The haircut will be applicable on the prevailing market value of the said security on the prevailing on the date of trade.

However, the fund manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the market prevailing liquidity situation.

Risk envisaged and mitigation measures for repo transactions:

- a. Default of the borrower of the underlying security taken as collateral - mitigated as only high credit rated companies securities will be taken as collateral for the transaction.
- b. Failure of the counter party/borrower to honor the repayment

- mitigated as the credit worthiness of the counterparty would usually be high. further mitigated if these transactions are undertaken through a recognised exchange / clearing house.

- c. In case of failure of counter party to repay resulting in sale of the underlying securities there can be a shortfall in the amount collected.

Credit risks could arise if the counterparty does not return the security as contracted on due date in instances where the Scheme has lent the securities if permitted by Regulations. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis.

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may suffer losses.

In addition to the above, the Investment Committee/Credit Committee of the AMC shall prescribe limits, restrictions and conditions. The Investment Committee/Credit Committee will also periodically review the limits, restrictions and conditions at its meeting.

#### Risk Factors - REITs/InvITs

- **Risk of lower than expected distributions:** The distributions by the REITs/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 REITs/InvITs receives as dividends or the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate based on, among other things and off takers / underlying projects, for e.g. power projects in case of a INVIT involving a power project.
- economic cycles and risks inherent in the business which may negatively impact valuations, returns and profitability of portfolio assets
- debt service requirements and other liabilities of the portfolio assets and fluctuations in the working capital needs
- ability of portfolio assets to borrow funds and access capital markets
- amount and timing of capital expenditures on portfolio assets
- **Liquidity Risk:** This refers to the ease with which REITs/InvITs units can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.
- **Price-Risk:** The valuation of the REITs/InvITs units may fluctuate based on economic conditions, fluctuations in markets (eg. real estate) in which the REITs/InvITs operates. As an indirect shareholder of portfolio assets, unit holders

rights are subordinated to the rights of creditors, debt holders and other parties specified under Indian law in the event of insolvency or liquidation of any of the portfolio assets.

The above are some of the common risks associated with investments in REITs/InvITs. There can be no assurance that a Scheme's 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.

#### **Risks associated with investing in Tri-Party Repo through CCIL (TREPS)**

Tri-party Repo i.e. TREPS facilitates, borrowing and lending of funds, in Triparty Repo arrangement. CCIL would be the Central Counterparty to all trades from Tri Party Repo Dealing System (TREPS) and would also perform the role and responsibilities of Triparty Repo Agent, in terms of Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 as amended from time to time. The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All TREPS trades are settled anonymously and centrally through the infrastructure and settlement systems provided by CCIL. Further the settlement is guaranteed by CCIL. This is a collateralized investment whereby borrowers have to give adequate amount of securities on which a haircut is applied by CCIL. 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." CCIL has several risk management processes in place such as initial margin, borrowing limits, identification of eligible collateral, haircuts on eligible collateral, mark to market margins (MTM) and volatility margin are applicable for Triparty Repo trades. There is a default fund for Triparty Repo trades. The exposure monitoring is online and on a pre-order basis, ensuring that orders can be placed only if the member has sufficient initial margin and/or borrowing limits to support the resultant trades. CCIL may temporarily impose volatility margin in case of a sudden increase in volatility in interest rates. Thus the settlement and counterparty risks are considerably low. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilized to handle any shortfall arising out of such default and 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).

#### **Minimum Number of Investors & Single-Investor Limit**

As per SEBI Regulations, the Scheme shall have a minimum of 20 investors and no single investor shall account for more than

25% of the corpus of the Scheme in each calendar quarter on an average basis. In case the Scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI(MF) Regulation would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

#### **Risk Factors - Segregated Portfolio**

**Liquidity Risk:** Securities classified under the segregated portfolio will typically be those securities that are thinly traded or not traded at all. Hence these securities will have significant liquidity risk and investors may not be able to redeem their investments.

**Credit Risk:** Securities classified under the segregated portfolio will typically be securities which are undergoing stress with regard to their ability to make principal and interest payments. Hence these securities will have significant credit risk and investors may not be able to redeem / realize their investments. It is also highly likely that these securities will undergo bankruptcy / liquidation processes which further increases the risk of the amount and the time taken for the investor to realize his investment.

#### **Special Considerations**

Prospective investors should review / study this Scheme Information Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/ investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of units and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalisation, disposal (sale, transfer, switch or redemption or conversion into money) of units within their jurisdiction / of nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Scheme to be used to purchase/gift units are subject, and (also) to determine possible legal, tax, financial or other consequences of subscribing / gifting to, purchasing or holding units before making an application for units.

Neither this Scheme Information Document nor the units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme



Information Document in certain jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this Scheme Information Document or any accompanying application form in such jurisdiction may treat this Scheme Information Document or such application form as constituting an invitation to them to subscribe for units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Neither the delivery of this Scheme Information Document nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct.

### Creation of segregated portfolio in case of credit event

SEBI vide circular number SEBI/HO/IMD/DF2/CIR/P/2018/160 and dated 28th December 2018 prescribed the procedure for segregation of portfolio in mutual fund schemes. Following is the extract from the circular:

1. Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
  - a. Downgrade of a debt or money market instrument to 'below investment grade', or
  - b. Subsequent downgrades, or
  - c. Similar such downgrades of a loan rating.
2. In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events and implemented at the ISIN level.
3. Creation of segregated portfolio shall be optional and at the discretion of the AMC. It should be created only if the SID of the scheme has provisions for segregated portfolio with adequate disclosures.
4. AMCs shall have a detailed written down policy on creation of segregated portfolio and the same shall be approved by the trustees.
5. Process for creation of segregated portfolio
  - a. AMC shall decide on creation of segregated portfolio on the day of credit event. Once an AMC decides to segregate portfolio, it shall
    - i. seek approval of trustees prior to creation of the segregated portfolio.
    - ii. immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors.
    - iii. ensure that till the time the trustee approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.
  - b. Once trustee approval is received by the AMC,
    - i. Segregated portfolio shall be effective from the day of credit event
    - ii. AMC shall issue a press release immediately with all

relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.

- iii. An e-mail or SMS should be sent to all unit holders of the concerned scheme.
- iv. The NAV of both segregated and main portfolio shall be disclosed from the day of the credit event.
- v. All existing investors in the scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.
- vi. No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.
- c. If the trustees do not approve the proposal to segregate portfolio, AMC shall issue a press release immediately informing investors of the same.
6. Valuation and processing of subscriptions and redemptions
  - a. the valuation should take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets).
  - b. All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under:
    - i. Upon trustees' approval to create a segregated portfolio -
      - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
      - Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
    - ii. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio (scheme portfolio including the securities affected by the credit event).
7. Disclosure Requirements
  - a. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
  - b. Adequate disclosure of the segregated portfolio shall appear in all scheme related documents.
  - c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
  - d. The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.

- e. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.
  - f. The disclosures at paragraph (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
  - g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.
8. TER for the Segregated Portfolio
- a. AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
  - b. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
  - c. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
  - d. The costs related to segregated portfolio shall in no case be charged to the main portfolio.
9. Monitoring by Trustees
- a. In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:
    - i. The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
    - ii. Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
    - iii. An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every trustee meeting till the investments are fully recovered/ written-off.
    - iv. The trustees shall monitor the compliance of this circular and disclose in the half-yearly trustee reports filed with SEBI, the compliance in respect of every segregated portfolio created.
  - b. In order to avoid mis-use of segregated portfolio, 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 the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the scheme.

10. The existence of the provisions for segregated portfolio should not encourage the AMCs to take undue credit risk in the scheme portfolio.

In partial modification to SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 on 'Creation of segregated portfolio in mutual fund schemes', it has been decided by SEBI to permit creation of segregated portfolio of unrated debt or money market instruments by mutual fund schemes of an issuer that does not have any outstanding rated debt or money market instruments, vide circular number SEBI/HO/IMD/DF2/CIR/P/2019/127, dated 07th November 2019. subject to the following:

- a. Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount.
- b. AMCs will inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt or money market instruments of the said issuer in terms of SEBI circular dated December 28, 2018.

The Scheme intends to have the ability to create a segregated portfolio in line with the above SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018.

#### Example of Segregation:

The below table shows how a security affected by a credit event will be segregated and its impact on investors. Whether the distressed security is held in the original portfolio or the segregated portfolio, the value of the investors holdings will remain the same on the date of the credit event. Over time, the NAV of the portfolios are subject to change.

**Key Assumptions:** We have assumed a Scheme consists of 3 Securities (A, B, and C). It has two investors with total of 10,000 units. (Investors 1 – 6,000 Units, Investors 2- 4,000 units)

Total Portfolio Value of Rs. 30 Lakhs (Each Security invested Rs. 10 Lakh)

Current NAV :  $30,00,000/10,000 = \text{Rs. } 300 \text{ Per Unit}$

Suppose Security A is downgraded to below investment grade and consequently the value of the security falls from Rs. 10,00,000 to Rs. 4,00,000 and the AMC decides to segregate the security into a new portfolio. Investors will be allotted the same number of units in the segregated portfolio as they hold in the main portfolio. So, Investor 1 will get 6,000 Units and Investor 2 will get 4,000 units in the segregated portfolio.

With Segregation – Portfolio Value is Rs. 24,00,000 (Now B & C Securities worth Rs. 20 Lakh and Security A has fallen from Rs. 10,00,000 to Rs. 4,00,000)

	Main Portfolio (Security of B & C)	Segregated Portfolio (Security A)
Net Assets	Rs. 20,00,000	Rs. 4,00,000
Number of Units	10,000	10,000
NAV per Unit	Rs. 20,00,000/ 10,000 = Rs. 200	Rs. 4,00,000/ 10,000 = Rs. 40

With respect to Investors.

	Investor 1	Investor 2
Units held in Main portfolio (No. of Units)	6,000	4,000
NAV of Main Portfolio	Rs. 200 per Unit	Rs. 200 per unit
Value of Holding in Main Portfolio (A) – Rs.	12,00,000	8,00,000
Units Held in Segregated Portfolio	6,000	4,000
NAV of Segregated Portfolio	Rs. 40 Per unit	Rs. 40 Per unit
Value of Holding in Segregated Portfolio (B) – Rs.	2,40,000	1,60,000
Total Value of Holdings (A) + (B) – Rs.	14,40,000	9,60,000

In case if it does not segregate (Total Portfolio would be)

Net Assets of the Portfolio	No. of Units	NAV per unit Rs.
Rs. 24,00,000	10,000	24,00,000/ 10,000= Rs. 240
(Rs. 4,00,000 in Security A and Rs. 10,00,000 in Security B and Rs. 10,00,000 in Security C)		

	Investor 1	Investor 2
Units held in Original portfolio (No. of Units)	6,000	4,000
NAV of Original Portfolio	Rs. 240 Per Unit	Rs. 240 Per Unit
Value of Holding - Rs.	14,40,000	9,60,000

#### Note:

1. The term 'segregated portfolio' shall mean a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.
2. The term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio.
3. The term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

#### Details under FATCA/Common Reporting Standards (CRS)/Foreign Tax Laws

Compliance under Foreign Account Tax Compliance Act /Common Reporting Standard requirements: Foreign Account Tax Compliance Act: Foreign Account Tax Compliance Act ("FATCA") is a United States (US) law aimed at prevention of tax evasion by US citizens and residents ("US Persons") through use of offshore accounts. FATCA obligates foreign financial institution (FFIs), including Indian financial institutions to provide the US Internal Revenue Service (IRS) with information on the accounts of to report accounts held by specified US Persons. FATCA requires enhanced due diligence processes by the FFI so as to identify US reportable accounts. With respect to individuals, the US reportable accounts would cover those with US citizenship or US residency. The identification of US person will be based on one or more of following "US indicia" • Identification of the Account Holder as a US citizen or resident; Unambiguous indication of a US place of birth; • Current US mailing or residence address (including a US post office box); • Current US telephone number; • Standing instructions to transfer funds to an account maintained in USA; • Current effective power of

attorney or signing authority granted to a person with a US address; or • An "in-care of or "hold mail" address that is the sole address that the Indian Financial Institution has on the file for the Account Holder. Since domestic laws of sovereign countries, (including India) may not permit sharing of confidential client information by FFIs directly with US IRS, the U.S. has entered into Inter-Governmental Agreement (IGA) with various countries. The IGA between India and USA was signed on 9th July, 2015, which provides that the Indian FIs will provide the necessary information to Indian tax authorities, which will then be transmitted to USA automatically. Common Reporting Standard - The New Global Standard for Automatic Exchange of Information: On similar lines as FATCA, the Organization of Economic Development (OECD), along with the G20 countries, of which India is a member, has released a "Standard for Automatic Exchange of Financial Account Information in Tax Matters", in order to combat the problem of offshore tax evasion and avoidance and stashing of unaccounted money abroad, requiring cooperation amongst tax authorities. The G20 and OECD countries have together developed a Common Reporting Standard (CRS) on Automatic Exchange of Information (AEOI). The CRS on AEOI was presented to G20 Leaders in Brisbane on 16th November, 2014. On June 3, 2015, India has joined the Multilateral Competent Authority Agreement (MCAA) on AEOI. The CRS on AEOI requires the financial institutions of the "source" jurisdiction to collect and report information to their tax authorities about account holders "resident" in other countries, such information having to be transmitted "automatically" annually. The information to be exchanged relates not only to individuals, but also to shell companies and trusts having beneficial ownership or interest in the "resident" countries. Accordingly with effect from November 1, 2015 all investors will have.

Sundaram Mutual Fund / the AMC is classified as a 'Foreign Financial Institution' under the FATCA provisions. Accordingly, the AMC / Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information / documentary evidences of the US and / or non-US status of its investors / Unit holders and disclose such information (directly or through its agents or service providers) as far as may be legally permitted about the holdings / investment returns to US Internal Revenue Service (IRS) and / or the Indian Tax Authorities. The MF has registered with US Internal Revenue Service (IRS) and has obtained a Global Intermediary Identification Number (GIIN): EY9227.99999.SL.356 for the said reporting purposes.

FATCA/CRS due diligence will be directed at each investor / Unit holder (including joint investor) and on being identified as a reportable person / specified US person, all the folios will be reported. In case of folios with joint holders, the entire account value of the investment portfolio will be attributable under each such reportable person. An investor / Unit holder will therefore be required to furnish such information as and when sought by the AMC in order to comply with the information reporting requirements stated in IGA and circulars issued by SEBI/Government of India in this regard from time to time. The information disclosed may include (but is not limited to) the identity of the investors and their direct or indirect beneficiaries, beneficial owners and controlling persons. Investors / Unitholders should consult their tax advisors regarding FATCA/CRS requirements with respect to their situation.

## Definition

In this document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

**Benchmark:** The index for evaluating the performance of the Scheme.

**Business Day**

A day other than

- A Saturday;
- A Sunday;
- A day on which there is no RBI clearing/settlement of securities;
- A day on which the Reserve Bank of India and/or banks in Mumbai are closed for business/clearing;
- A day on which the Stock Exchange, Mumbai or National Stock Exchange of India or RBI and/or banks are closed;
- A day which is a public and/or bank holiday at an investor centre where the application is received;
- A day on which sale/redemption/switch of units is suspended by the Investment Manager / Trustee;
- A day which falls within a book closure period announced by the Trustee / Investment Manager and
- A day on which normal business cannot be transacted due to storms, floods, bandh, strikes or such other events as the Investment Manager may specify from time to time.

The Investment Manager reserves the right to declare any day as a business day or otherwise at any or all branches / Investor Service Centres.

**Custodian:** A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulation, 1996 and includes any entity appointed to act as custodian in respect of foreign securities (including approved banks).

**First Time Mutual Fund Investor:** An investor who invests for

the first time ever in any mutual fund either by way of purchase/subscription or Systematic Investment Plan.

**Investment Management Agreement:** Investment Management Agreement dated August 24, 1996, executed between the Trustee and the Investment Manager as amended from time to time.

**Investment Manager:** Sundaram Asset Management Company Limited incorporated under the provisions of the Companies Act, 1956 and approved by the Securities and Exchange Board of India to act as the Investment Manager for the Schemes of Sundaram Mutual Fund. AMC is also called as Investment Manager alternatively.

**Investor Service Centres or Official Points of acceptance of transactions:** Designated branches of Sundaram Asset Management Limited or such other centres/offices as may be designated by the Investment Manager or its registrars from time to time.

**Mutual Fund or the Fund:** Sundaram Mutual Fund, a trust set up under the provisions of the Indian Trust Act, and registered with SEBI vide Registration No.MF/034/97/2.

**NAV:** The Net Asset Value per unit of the Scheme, calculated in the manner provided in the Scheme Information Document, as may be prescribed by Regulation from time to time.

**Regulations:** SEBI (Mutual Funds) Regulation 1996 as amended from time to time.

**Trustee:** Sundaram Trustee Company Limited, as incorporated under the Provisions of the Companies Act, 1956, and approved by SEBI to act as Trustee to the Schemes of Sundaram Mutual Fund.

**Trust Deed:** The Trust Deed dated 24th August 1996 (as amended from time to time) establishing the Mutual Fund.

**Unit Holder:** The term unit holder and investor has been used interchangeably in this document.



**Abbreviation**

In this document, an investor may find the following abbreviations.

AMC	Asset Management Company
AMFI	Association of Mutual Funds in India
AML	Anti-Money Laundering
AUM	Assets Under Management
BSE	Bombay Stock Exchange Limited
CCC	Customer Care Centre
CDSC	Contingent Deferred Sales Charge
ECS	Electronic Clearing System
EFT	Electronic Funds Transfer
FATCA	Foreign Account Tax Compliance Act
FPI	Foreign Portfolio Investor
FRA	Forward Rate Agreement
HUF	Hindu Undivided Family
IDCW	Income Distribution cum Capital Withdrawal
IMA	Investment Management Agreement
IRS	Interest Rate Swap
KIM	Key Information Memorandum
KYC	Know Your Customer
MFU	Mutual Fund Utility
NAV	Net Asset Value
NRI	Non-Resident Indian
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PIO	Person of Indian Origin
PMLA	Prevention of Money Laundering Act, 2002
POS	Points of Service
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SAI	Statement of Additional Information
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
NEFT	National Electronic Funds Transfer
SFS	Sundaram Fund Services Limited
SI	Standing Instructions
SID	Scheme Information Document
SIP	Systematic Investment Plan
STP	Systematic Transfer Plan
SWP	Systematic Withdrawal Plan
TREPS	Triparty Repo Trades

**Interpretation**

The words and expressions used in this document and not defined shall have the meanings respectively assigned to them therein under the SEBI Act or the SEBI Regulation.

For the purpose of this document, except as otherwise expressly provided or unless the context otherwise requires:

- the terms defined in this Scheme Information Document include the singular as well as the plural;
- pronouns having a masculine or feminine gender shall be deemed to be all inclusive;
- all references to 'dollars' or '\$' refers to the United States dollars;
- Rs refers to Indian Rupee;
- A crore means ten million or 100 lakh;
- A lakh means a hundred thousand;
- References to timings relate to Indian Standard Time (IST) and
- References to a day are to a calendar day including non-Business Day.

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**Due Diligence by Sundaram Asset Management Company Limited**

It is confirmed that:

- The Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulation, 1996 and the guidelines and directives issued by SEBI from time to time.
- All legal requirements connected with the launch of the Scheme as also the guidelines, and instructions issued by the Government of India and any other competent authority in this behalf, have been duly complied.
- The disclosures made in this Scheme Information Document are true, fair and adequate to enable the investors to make a well-informed decision regarding an investment in the Scheme.
- The intermediaries named in this Scheme Information Document and the Statement of Additional Information are registered with SEBI and the registration is valid as on date.

Chennai

DD/MM/YYYY

**Sunil Subramaniam**

Managing Director



**A. Type (Fundamental Attribute)**

An open ended equity scheme predominantly investing in large cap stocks.

**B. Investment Objective (Fundamental Attribute)**

The investment objective of the scheme is to generate capital appreciation by investing in large cap stocks.

**No Guarantee:** There is no guarantee or assurance that the investment objective of the scheme will be achieved. Investors are neither being offered any guarantee / indicated returns nor any guarantee on repayment of capital by the Schemes. There is also no guarantee of capital or return either by the mutual fund or by the sponsor or by the Trustees Asset management Company.

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No.14**Asset Allocation ( Fundamental Attribute)**

	Minimum	Maximum	Risk Profile
Equity & Equity related securities of large cap stocks <sup>@</sup>	80%	100%	High
Other Equity	0%	20%	High
Investment in overseas securities / ADR's / GDR's	0%	20%	High
Fixed Income and Money Market Instruments <sup>^</sup>			Low to Medium
/ Cash & Cash equivalents	0%	20%	
Units issued by REITs / InvITs	0%	10%	Medium to High

<sup>@</sup>Large cap stocks are the first 100 companies in terms of full market capitalization. The list of large cap stocks will be computed by AMFI as per SEBI circular dated Oct 6, 2017 and will be made available on its website on a half yearly basis.

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<sup>^</sup>Money Market Instruments includes Certificate of Deposits, Commercial Papers, T Bills, Government Securities having an unexpired maturity up to 1 Year, Call or notice Money, Commercial Bills, Reverse Repo, TREPS and any other instruments as defined by RBI/SEBI from time to time.

Other Equity means other than large cap stocks

- The scheme shall not invest in securitized debt or in credit default swap.
- The scheme shall not engage in short selling.
- The scheme shall engage in securities lending subject a maximum of 20% and 5% for a single counter party.
- The Scheme shall invest in ADR/GDR/Overseas securities upto 20% of the net assets
- The Scheme shall invest in repo in Corporate Bond upto 10% of the net assets of the scheme
- The Scheme may use derivatives for trading, investment, hedging and portfolio balancing.

Exposure to derivatives will be limited to 50% of the net asset value of the Scheme at the time of transaction.

Exposure is calculated as a percentage of the notional value to the net assets of the Scheme. The Scheme will maintain cash or securities to cover exposure to derivatives.

The cumulative gross exposure to equity, debt, money market instruments, REITs / InvITs and derivatives shall not exceed 100% of the net assets of the scheme, subject to SEBI circular No. Cir/IMD/ DF/ 11/ 2010 dated August 18, 2010 and Circular No SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021. The same-security-wise hedge positions would be excluded from computing the percentage.

Pending deployment in line with the investment objective, the funds of the Scheme may be invested in short-term deposits with scheduled commercial banks in accordance with SEBI Circulars SEBI/IMD/CIR No.9/20306/03 dated November 12, 2003, SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007 and SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019.

**Portfolio rebalancing/Changes in Investment Pattern:** Subject to SEBI Regulations, the asset allocation pattern may change from time to time for a short term and for defensive considerations, keeping in view the market conditions/ applicable regulations/political & economic factors, the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Rebalancing across sectors and stocks shall be a dynamic exercise as this is crucial to performance.

The Fund Manager of the Scheme shall examine factors such as the overall macro-economic conditions, valuation levels, sector-specific factors, company-specific factors and trends in liquidity, to name a few, and reduce the equity exposure, if warranted, to lower levels and raise the fixed income component of the portfolio as a tactical call.

The Fund Manager shall seek to raise the equity exposure if the environment is conducive. This process of rebalancing may take place in a dynamic manner on a regular basis. Cash calls (with deployment in appropriate money-market and fixed-income securities), derivatives, changes in the degree of overweight and underweight to sectors and changes in allocation levels to stocks with varying attributes be used to balance the portfolio.

If the macro-economic conditions and market levels warrant, the fund manager may on an exceptional basis, reduce the equity exposure and raise the fixed-income component of the portfolio beyond the asset allocation boundary indicated in the table for normal circumstances. Such an allocation in exceptional circumstances shall be adopted with the approval of the Investment Committee Committee of Sundaram Asset Management.

In the event of deviations, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not rebalanced within 30 days, justification for the same shall be placed before the Investment Committee Committee and reasons for the same shall

be recorded in writing. The Investment Committee of the Investment Manager, shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

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#### D. Indicative Investment Universe

In order to achieve the investment objective, the corpus of the Scheme can be invested in the following securities (subject to the Investment Objective / Asset Allocation):

- Equity and equity-related securities including Convertible bonds and debentures and warrants carrying the right to obtain equity shares and derivative instruments. (For limits on Derivatives, please refer the Section "Derivatives")
- Debt securities of the Government of India, State and local Governments, Government agencies, Statutory bodies, Public Sector Undertakings, Public Financial Institutions, Scheduled Commercial Banks, Non-Banking Finance Companies, Development Financial Institutions, Supranational Financial Institutions, Corporate entities, Housing Finance Companies (HFCs).
- Debt and Money Market securities and such other securities as may be permitted by SEBI and RBI regulation from time to time.
- Money market instruments including but not limited to, Treasury Bills, Commercial Paper of Public Sector Undertakings and Private Sector Corporate entities, Reverse Repo Agreements on Gsecs, TREPS (Triparty Repo Trades), Certificates of Deposit of Scheduled Commercial Banks and Development Financial Institutions, Government Securities with unexpired maturity of one year or less and other money market securities as may be permitted by SEBI/RBI regulation.
- The non-convertible part of convertible securities.
- Units of Mutual funds as may be permitted by regulation.
- The Scheme shall engage in securities lending and Repo in Corporate.
- The scheme invest in REITs/InvTs as per SEBI Regulations and limits.
- The Scheme may also invest in ADR's / GDR's / Overseas securities.

The scheme may invest in derivative instruments for the purpose of hedging, portfolio balancing and trading and arbitrage. The limits and conditions and restrictions prescribed by SEBI vide circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 and Circular No SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 shall be followed

- Any other instruments as may be permitted by RBI / SEBI / such other Regulatory Authority from time to time.

The securities mentioned above and such other securities the Scheme is permitted to invest in, could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any

maturity bearing fixed-rate or floating coupon rate. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repo and reverse repo obligations on Gsecs held by it as per the guidelines and regulation applicable to such transactions.

- The Scheme shall invest in the instruments rated as investment grade or above by a recognised rating agency. In case, the instruments are not rated, specific approval of the Investment Committee/Credit Committee of the Investment Manager shall be obtained.
- Pending deployment of funds in terms of investment objectives of the Scheme, the funds may be invested in short term deposits with Scheduled Commercial Banks in accordance SEBI Circulars SEBI/IMD/CIR No.9/20306/03 dated November 12, 2003, SEBI/IMD/Cir No.1/91171/07 dated April 16, 2007, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019.

#### Brief note on Fixed-Income and Money Market in India

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##### (i) Debt Instrument Characteristics:

A Debt Instrument is basically an obligation which the borrower has to service periodically and generally has the following features:

Face Value: Stated value of the paper /Principal Amount

Coupon: Zero, fixed or floating

Frequency: Semi-annual; annual, sometimes quarterly

Maturity: Bullet, staggered

Redemption: FV; premium or discount

Options: Call/Put

Issue Price: Par (FV) or premium or discount

A debt instrument comprises of a unique series of cash flows for each paper, terms of which are decided at the time of issue. Discounting these cash flows to the present value at various applicable discount rates (market rates) provides the market price.

##### (ii) Types of Debt Market Instruments:

The Indian Debt market comprises of the Money Market and the Long Term Debt Market.

*Money market instruments* are Commercial Papers (CPs), Certificates of Deposit (CDs), Treasury bills (T-bills), Repos, Inter-bank Call money deposit, TREPS etc. They are mostly discounted instruments that are issued at a discount to face value.

*Money market instruments* have a tenor of less than one year while debt market instruments typically have a tenor of more than one year.

*Long Term Debt market* in India comprises mainly of two segments viz., the Government securities market and the corporate securities market.

*Government securities* include central, state and local issues. The

main instruments in this market are dated securities (Fixed or Floating) and Treasury bills (Discounted Papers). The Central Government securities are generally issued through auctions on the basis of 'Uniform price' method or 'Multiple price' method while State Govt. are through on-tap sales.

*Corporate Debt* segment on the other hand includes bonds/debentures issued by private corporates, public sector units (PSUs) and development financial institutions (DFIs). The debentures are rated by a rating agency and based on the feedback from the market, the issue is priced accordingly. The bonds issued may be fixed or floating. The floating rate debt market has emerged as an active market in the rising interest rate scenario. Benchmarks range from Overnight rates or Treasury benchmarks.

*Debt derivatives market* comprises mainly of Interest Rate Swaps linked to Overnight benchmarks called MIBOR (Mumbai Inter Bank Offered Rate) and is an active market. Banks and corporate are major players here and of late Mutual Funds have also started hedging their exposures through these products.

The following table gives approximate yields prevailing during the month of May 2021 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy

Issuer	Instruments	Maturity	Yields (p.a)
GOI	Treasury Bill	91 days	3.33
GOI	Treasury Bill	364 days	3.70
GOI	Short Dated	1-3 Yrs	3.84-4.73
GOI	Medium Dated	3-5 Yrs	4.73-5.54
GOI	Long Dated	5-10 Yrs	5.54-6.01
Corporates	Bonds (AAA)	1 - 3 years	4.37-5.11
Corporates	Bonds (AAA)	3 - 5 years	5.11-5.74
Corporates	CPs (A1+)	3 months - 1 yr	3.40-4.30
Banks	CDs	3 months - 1 yr	3.56-4.25

Source: Bloomberg.

As on May 10, 2021

### (iii) Regulators:

The RBI operates both as the monetary authority and the debt manager to the government. In its role as a monetary authority, the RBI participates in the market through open-market operations as well as through Liquidity Adjustment Facility (LAF) to regulate the money supply. It also regulates the bank rate and repo rate, and uses these rates as indirect tools for its monetary policy. The RBI as the debt manager issues the securities at the cheapest possible rate. The SEBI regulates the debt instruments listed on the stock exchanges.

### (iv) Fixed income and money market segments

The market for fixed-income securities in India can be briefly divided into the following segments:

- The money market – The market for borrowing / lending money;
- The securities market – The market for trading in securities and
- The derivatives market – The market for fixed income derivatives.

In this predominantly institutional market, the key market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and companies. Provident / pension funds, though present, are not active players.

### The Money Market

The money market can be classified into two broad categories

The market for clean borrowing/lending without backing of any collateral:

- Call Money: The market for overnight borrowing/lending.
- Notice Money: The market for borrowing/lending from 2 days to a fortnight.
- Term Money: The market for borrowing/lending from a fortnight to six months.
- The market for TREPS borrowing/lending:
- Repo transactions: These are redemption-obligation transactions in which the borrower tenders securities to the lender; these securities are bought back by the borrower on the redemption date. The price difference between the sale and redemption of the securities is the implicit interest rate for the borrowing/lending. The eligible underlying securities for these transactions are government securities and treasury bills. Corporate bonds are not allowed as eligible securities for repo transactions. The minimum repo term (lending /borrowing period) is one day.
- TREPS: TREPS stands for Triparty Repo Trades. TREPS is a discount instrument introduced by the Clearing Corporation of India Limited (CCIL). They can be traded like any other discount instrument. Lenders buy TREPS and borrowers sell TREPS. CCIL manages the risks inherent in issuing these securities through a system of margins and deposits that it takes from both lenders and borrowers. TREPS can be issued/bought/sold for a minimum of one day to a maximum of 364 days.

Risks of investing in TREPS is minimal as the underlying securities are Government Securities. Hence, there is no credit risk. Settlement is done through CCIL, which reduces counter party risk. Interest rate on TREPS is determined by Overnight rates and hence is subjected to a limited amount of volatility

### The Securities Market

The market for fixed-income securities can be broadly classified into

- The market for money market (short-term) instruments: Money-market securities are generally discount securities maturing within one year from the date of issuance. Instruments satisfying this criterion are treasury bills (obligations of the government), commercial paper (obligations of the corporate sector) and certificate of deposit (obligations of banks).
- The market for Government Securities: Government securities

are medium-/long-term fixed income securities of the government. The market for government securities is the most liquid segment of the fixed-income market in India. Most of the secondary market trading is concentrated in government securities. Trading in government securities is now done mostly through an electronic trading, reporting and settlement platform developed by the Reserve Bank of India (RBI) called Negotiated Dealing System. The role of brokers, which was an important element of the Indian bond market, is now less significant in this segment than in the past.

- The market for corporate bonds: Trading in corporate bonds is relatively subdued (in comparison to government securities). Price discovery and trading in this segment are still through the telephone. Attempts at improving the trading, settlement and risk-management practices for trading corporate bonds are currently underway.
- The market for floating-rate securities: The coupon rate in floating-rate securities is linked to an acceptable benchmark. Floating-rate securities generally have a coupon rate, which is reset over a regular period depending on the benchmark chosen. The market widely uses the MIBOR benchmarks announced by Independent agencies such as NSE and Reuters. When benchmark interest rate rises, the income generated on these floating-rate securities may also rise. When the benchmark interest rates decline, the income generated on these floating-rate securities may decline. Increasingly more companies are raising resource through floating-rate securities. Most of such securities are in the form of floating-rate debentures at a spread over NSE MIBOR. The other popular benchmark is the Indian Government securities benchmark yield (known as INBMK). The reset in such cases happen after a period of time, generally six months. The Government of India has also started issuing floating-rate securities using INBMK 1 year as the benchmark.

#### (v) Market Participants:

Given the large size of the trades, the debt market has remained predominantly a wholesale market.

##### *Primary Dealers*

Primary Dealers (PDs) act as underwriters in the primary market, and as market makers in the secondary market.

##### *Brokers*

Brokers bring together counterparties and negotiate terms of the trade.

##### *Investors*

Banks, Insurance Companies, Mutual Funds are important players in the debt market. Other players are Trusts, Provident and pension funds.

#### (vi) Trading Mechanism:

Government Securities and Money Market Instruments

Negotiated Dealing System (NDS) is an electronic platform for facilitating dealing and online reporting of transactions. Government Securities (including T-bills), call money, notice/term money, repos in eligible securities, etc. are available for negotiated dealing through NDS. Currently G-Sec deals are done telephonically and reported on NDS.

Corporate Debt is basically a phone driven market where deals are concluded verbally over recorded lines. The reporting of trade is done on the NSE Wholesale Debt Market segment.

### E. Investment Strategy

The scheme aims to provide long term capital growth by predominantly investing in a diversified portfolio of large cap stocks. The fund would aim to participate in the all-round growth of the economy. For this, the fund manager will identify suitable stocks that will benefit from economic growth. The Fund may follow a bottom-up approach towards investing / identifying individual stocks and a top-down approach towards investing / identifying sectors so that the resultant portfolio is well diversified. The Scheme would invest in companies based on various quantitative and qualitative criteria like sound financials, professional management, track record, industry scenario, industry and company growth prospects etc., The Fund may also invest in overseas equities and ADR's / GDR's depending on the Investment manager's view / analysis. To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time for hedging and rebalancing purposes, in the manner permitted by SEBI. The Scheme retains the flexibility to hold from time to time relatively more concentrated investments in a few sectors or a concentrated portfolio of stocks.

### Derivatives

The scheme may invest in derivative instruments for the purpose of hedging, portfolio balancing and trading and arbitrage. The limits and conditions and restrictions prescribed by SEBI vide circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 and Circular No SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 shall be followed.

Derivatives are financial contracts or instruments that derive their value from an underlying asset. Derivatives may be used for hedging, portfolio balancing and trading purposes to seek to optimise performance in the Scheme and will be subject to applicable Regulations of SEBI/RBI from time to time.

Portfolio balancing includes any type of deals in derivatives as long as they are fully covered by holding a position in the underlying securities/ cash/cash equivalents/options/ futures. Trading is permitted only in exchange-traded derivatives. The derivatives shall be marked-to-market by the Investment Manager at all times.

Transactions in derivatives include a wide range of instruments, including, but not limited to futures, options, swaps, and interest rate swaps, forward rate agreements and any other instrument as may be permitted by SEBI/RBI from time to time.

**Futures:** A purchase of futures contract obligates the purchaser to

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take delivery of the underlying asset at the expiry of the contract. The transaction is netted at the end of the contract and the difference settled between the investor & the clearing house. A part of value of the contract – 15% to 25% on an average (the number could be higher for specific contracts or for all contracts at specific times) – is the margin.

Payoffs in futures are linear with reference to the underlying and the risk is basically directional. Buyers and sellers of futures carry equal risk.

The margin depends on volatility of the underlying asset and the difference between the spot price and the contract price, to name a few influencing variables.

*Please note that the following illustrative examples are given for information purposes only and are based on hypothetical values for the NIFTY 50 and/or stock.*

**Example for index futures:** Stock index futures are instruments designed to give exposure to the equity markets indices. The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE) have 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 short term interest rates. Index futures are cash settled, there is no delivery of the underlying stocks.

If a Scheme buys 1,000 futures contracts, each contract value is 200 times the futures index price. Purchase date: May 01, 2015. Spot index: 2000.00 Future price: 2010.00 Date of expiry: May 25, 2015. If the exchange imposes a margin of 10%, the Investment Manager will be required to provide Rs.40,200,000 (i.e.  $10\% \times 2010 \times 1000 \times 200$ ) by way of eligible securities and/or cash. If on the date of expiry – May 25, 2015 - the Nifty Index closes at 2025, the net impact will be a profit of Rs. 3,000,000 for the Scheme ( $(2025 - 2010) \times 1000 \times 200$ ).

The profit or loss for the Scheme will be the difference between 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 plus there are additional risks with additional risks highlighted in the Risk Factors part of this document.

**Example for stock futures:** A futures contract on a stock gives its owner the right and obligation to buy or sell stocks. Single stock futures traded on the NSE are cash settled; there is no delivery of the underlying stocks on the expiration date.

A purchase or sale of futures on a security gives the trader essentially the same price exposure as a purchase or sale of the security itself. Trading stock futures is no different from trading the security itself.

The Scheme buys shares of A Ltd. Its current price is Rs 500. The Scheme sells one month futures on the shares of A Ltd at Rs 550. If the price of the stock declines, the Mutual Fund will suffer losses on the stock position held and profit on futures position. The price of stock on the expiry date is Rs 450. The price of the futures on the stock declines to Rs 480. There is a loss of Rs. 50 per share on

the on the holding of the stock. This is offset by profit of Rs 70 on the short position in stock futures.

Risks associated with stock futures are similar to those associated with equity investments plus there are additional risks with additional risks highlighted in the Risk Factors part of this document.

**Options:** An option gives the owner the right to buy or sell the underlying asset based on specific prices trends but the not the obligation. The option will be exercised if the outcome is favourable to the owner. A call option gives the owner a right to buy the underlying asset at a pre-determined price on a pre-specified date. A put option gives the owner the right to sell a security at a pre-determined price on a pre-specified date.

Risk is limited (or known) to premium if call or put options are purchased. If options are sold, the risk is unlimited (or unknown). The risk of the unknown can be mitigated by staying covered, using covered calls or bull/bear spread, to name a few strategies. Payoffs in options are non-linear.

*Example of options:*

*Please note that the following illustrative examples are given for information purposes only and are based on hypothetical values for the NIFTY 50 and/or stock.*

The Scheme owns 10000 shares of A with a current market price of Rs 160. The view of the fund manager is that the price could decline by Rs 10 – Rs 12 over a one-month period. The fund manager does, however, wish to hold the shares due to the positive long-term outlook. The fund manager can cover the expected near-term decline by buying a put.

The buyer has the choice to buy the shares at Rs 160 on expiry date (usually the last Thursday of a month). The following are examples based on price trends after one month:

- if the stock price declines to Rs 150, the buyer of the call option will not exercise the right to buy as the stock can be purchased at a lower price in the spot market. The fund manager has ensured that the Rs 160 prevailing at the time of selling the option is protected through a combination of market price of Rs 150 and earned premium of Rs 10;
- If the stock price dips below Rs 150, the buyer will not exercise the option. The loss for the fund manager is limited to the extent to which price dips below Rs 150, as the decline from Rs 160 to Rs 150 is covered by the earned premium;
- If the stock price rises to Rs 170, the buyer of the option will exercise the right to buy the shares he can buy them at the strike price of Rs 160 and if he chooses to sell at the spot of Rs 170 to make a profit of Rs 10 per share. This price trend is, however, contrary to the expectations of the fund manager. There is no loss for the fund manager as he has already received Rs 10 as premium. This will ensure that his effective price in meeting the commitment to the holder of the call option is Rs 160 and
- If the stock price rises to more than Rs 170, the buyer will

exercise the option. The loss to the fund manager will be limited to the extent to which the price is higher than Rs 170, as the premium of Rs 10 will cover partially the higher cost of the shares that have to be purchased to meet the commitment under the option.

### Covered Call writing Option Strategy:

Covered call option strategy is selling a call option on the shares which an investor owns. Under this strategy the investor has taken on the potential obligation to deliver the shares to the option buyer and accepts the predetermine price (option strike price) as the price at which he will sell the shares. For his willingness to do this, the investor receives a premium.

### Benefits of covered call option strategy:

- If the Fund Manager is of a view, that the stock price is going to be range bound for a specified tenure, then writing a call option is advantageous, as the writer receives an option premium.
- Writing can also act as a good alternative for playing relative outperformance for stocks held in portfolios within same sector.
- Stocks held in the portfolio can be effectively hedged in extreme volatility in the market.

### Illustration - Covered Call Strategy using stock call options:

A fund manager buys equity stock of ABC Ltd. for Rs. 1,000 and sells a call option on the same stock at a strike price of Rs. 1,100. It is assumed that the Scheme has earned a premium of Rs. 50 on the call option sold. The fund manager is of the opinion that the stock price will not exceed Rs. 1100, during the period of the option.

**Scenario 1: Stock price exceeds Rs. 1100:** The call option will get exercised and the fund manager will sell the stock to settle his obligation on the call at Rs. 1,100. Since the scheme has earned a premium of Rs. 50, the Net Gain would be Rs. 150 (Rs. 100 stock appreciation + Rs. 50 call option premium)

**Scenario 2: Stock price trades between Rs. 1000 and Rs. 1100 at say Rs 1050:** The call option will not get exercised and will expire worthless. Since the scheme has earned a premium of Rs. 50, the Net Gain would be Rs. 100 (Rs. 50 stock appreciation + Rs. 50 call option premium)

**Products:** The derivative products currently available in India include futures on the Index (Nifty and Sensex) options on the Index (Nifty and Sensex), stock futures and options on stocks, to name a few.

**Use of derivatives to further investment objective of the Scheme:** Sundaram Mutual Fund may use derivatives to seek outcomes that are not possible in the cash market. For example:

- A short position in index futures or futures on a particular stock may be initiated to hedge a long position in the cash market;

- The Investment Manager can buy put options with appropriate strike price as a hedge for a decline in price of stocks owned in the Scheme;
- Options may be sold to augment income through the premium paid by the buyer;
- Sell puts on a stock with strike prices at levels the fund seeks to buy the stock;
- Sell calls on stocks in the portfolio of the Scheme at strike prices that are at levels viewed as a selling opportunity by the Investment Manager and
- If the index futures trade at a steep discount or premium to the spot, the Scheme can take advantage of the situation by switching out of stocks into futures or vice versa. At the expiry of the futures contract, its price will have to converge with the spot, as the last settlement will be with reference to the spot price. Arbitrage profit, if any, may augment NAV of the Scheme.

Use of derivatives by the Mutual Fund:

### Trading in derivatives

There are risks associated with use of derivatives as a trading strategy in a Scheme. Investors must read and understand the risks associated with use of derivatives for trading purpose in order to appreciate the implications. Derivatives require the maintenance of adequate controls to monitor the transactions and the embedded market risks that a derivative adds to the portfolio. The price of the underlying asset, the volatility, tenor and interest rates, to name a few, affect the value of a derivative contract. A few illustrative trading strategies are outlined:

**Reverse Arbitrage:** The endeavour of the Investment Manager is to create reverse arbitrage positions, which reduces the holding cost of the captioned security.

**Arbitrage:** The endeavour of the Investment Manager is to create arbitrage positions, which create market neutral positions and lead to yield enhancement for the portfolio as a whole.

**Portfolio Hedging:** The endeavour of the Investment Manager is to use index futures / options for portfolio hedging to participate in the market (buy Index Futures) or reduce market risk (sell Index Futures).

There are risks associated with such strategies. A few of them are: model risk (improper pricing/mis-pricing), market liquidity risk (derivatives cannot be sold at prices that reflect the underlying assets, rates and indices), basis risk (lack of in-line movement with the underlying asset) and trade execution risk (final execution price is different from the screen price leading to dilution in the spreads and hence impacting the profitability of the reverse arbitrage strategy).

The limits and conditions and restrictions prescribed by SEBI in the circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 and Circular No SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March

04, 2021 shall be followed, The details are set out hereunder:

No	Particulars	Limit/ conditions
1.	Exposure Limit	Up to 50% of the net assets of the Scheme.  The cumulative gross exposure through equity, debt and derivative position should not exceed 100% of the net assets of the respective schemes.  Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned above.
	Position Exposure	Each position taken in derivatives shall have an associated exposure as defined under. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:
	Long Future	Futures Price x Lot Size x Number of Contracts
	Short Future	Futures Price x Lot Size x Number of Contracts
	Option bought	Option Premium Paid x Lot Size x Number of Contracts.
2.	Position Limit	In accordance with the limit prescribed by SEBI in the circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 and Circular No SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021, in the Next Section 'Position Limits'.
3.	Monitoring of position limits	The mutual fund will notify the names of the clearing member for each scheme through whom it would clear the derivative contracts to the stock exchange.  The stock exchange would then assign a Unique Client Code to each scheme of the mutual fund.  The stock exchange shall monitor the scheme wise position limit.  Daily trading/ position limits and margins will be notified the by the clearing member (custodian) to the Investment Manager, for funding and monitoring.
4.	Prohibitions / Restrictions	The schemes shall not write options or purchase instruments with embedded written options.  The total exposure related to option premium

paid must not exceed 20% of the net assets of the scheme.

The maximum derivative position will be restricted to 50% of the Net Assets of the Scheme.

Cash and cash equivalents with residual maturity of not less than 91 days may be treated as not creating any exposure.

Exposure to hedging positions may not be included in the abovementioned limits subject to the following:

Hedging positions are derivative positions that reduce possible losses on the existing position in securities and till the existing position remains.

Hedging positions can not be taken for existing derivative positions exposure to such positions shall have to be added and treated within the overall limit of 100%.

Any derivative instrument used to hedge has the same underlying security as the existing position being hedged

The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing positions against which hedge has been taken.

5.	Strategy	Hedging, Portfolio rebalancing, trading and arbitrage
6.	Internal Guidelines	The Investment Manager presently has a derivative policy which sets out the framework and operational guidelines for derivative investments.
7.	Valuation	The traded derivatives shall be valued at market price in conformity with the SEBI Regulations/Guidelines  The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in the SEBI Regulation
8.	Disclosure and Reporting	In the monthly portfolio disclosure, half yearly portfolio and in the annual reports, the following disclosure will be made in respect of derivative positions as per the format prescribed by SEBI.  Hedging positions and trading positions through futures  Hedging positions and trading positions

through options

The total no of contracts entered, gross notional value of contracts and net profits/loss.

While listing the net assets, the margin amounts paid will be reported separately under cash and bank balances.

The above reports will be placed before the Credit Committee /Trustee Board of the Investment Manager for review.

### Illustrative list of strategies that can employ derivatives are given hereunder:

#### (i) Index Futures

Index Futures have been introduced by BSE and NSE. Generally three futures of 1 month 2 months and 3 months are presently traded on these exchanges. These futures expire on the last working Thursday of the respective months. If the Nifty (Index) was 1875 at the beginning of a month and the quotes for the three futures were as under:

Month	Bid Price	Offer Price
1	1880	1885
2	1900	1915
3	1910	1930

The Fund can buy an Index of month 1 on the last day of the month prior to month 1 in the illustration above at an offer price of 1885.

#### Numerical example of futures trade

The following is a hypothetical example of a typical likely index future trade and the associated costs.

Particulars	Index Future	Actual purchase of stocks
Index at the beginning of the month	1875	1875
Price of 1 Month Future	1885	-
A Execution Cost : Carry and other Index Future costs (1885-1875)	10	Nil
B Brokerage Cost: Assumed at 0.30% for Index Future and 0.50% for spot Stocks (0.30% of 1885) (0.50% of 1875)	5.66	9.38
C Gains on Surplus Funds: (assumed 10% return on 90% of the money left after paying 10% margin)	13.87	Nil
Total Cost (A+B-C)	1.79	9.38

In this example, the Index Future trade has resulted in profitability compared to actual purchase of the underlying index stocks. The profitability of Index Future as compared to an individual security will inter alia depend upon the carrying cost, the interest available on surplus funds and the transaction cost. There are futures based on stock indices as mentioned above as also futures based on

individual stocks.

### Illustrative list of strategies that can employ futures

Strategies that employ index futures and their objectives:

- (a) The fund has an existing equity portion invested in a basket of stocks. In case the fund manager has a view that the equity markets are headed downwards, the fund can then hedge the exposure to equity either fully or partially by initiating short futures positions in the Index.

A similar position in the long direction can also be initiated by the fund to hedge its position of cash and permissible equivalents. The extent to which this can be done is determined by guidelines issued by SEBI from time to time.

- (b) To the extent permissible by extant regulations the scheme can initiate a naked short position in an underlying index future traded on a recognized stock exchange. In case the Nifty near month future contract trading at say, 1850, and the fund manager has a view that it will depreciate going forward, the fund can initiate a sale transaction of Nifty futures at 1850 without holding a portfolio of equity stocks or any other underlying long equity position. Once the price falls to 1800 after say, 20 days the fund can initiate a square-up transaction by buying the said futures and book a profit of 50. Correspondingly the fund can take a long position without an underlying cash/ cash equivalent subject to the extant regulations.

#### Risk associated with this strategy:

1. Lack of opportunities available in the market
2. Inability of the derivatives to correlate perfectly with underlying indices
3. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

#### Strategies that employ Stock specific Futures and their objectives:

Individual stock futures are also available in the Indian Equity Markets. Stock futures trade either at a premium or at discount to the spot prices, the level of premium generally reflects the cost of carry. Stock specific issues may have a bearing on futures as speculators may find futures as a cost-effective way of executing their view on the stock. However such executions usually increase the premium/discount to the spot significantly, thereby giving rise to arbitrage opportunities for a fund.

- (a) **Selling spot and buying future :** In case the fund holds the stock of a company at say Rs. 1000 while in the futures market it trades at a discount to the spot price say at Rs. 980 then the fund may sell the stock and buy the futures. On the date of expiry of the stock future, the fund may reverse the transactions (i.e. Buying at Spot & Selling futures) and earn a risk-free Rs. 20/- (2% absolute) on its holdings. As this can be without any dilution of the view of the fund on the underlying stock the fund can still



benefit from any movement of the price in the northward direction, i.e. if on the date of expiry of the futures, if the stock trades at 1100 which would be the price of the futures too, the fund will have a benefit of Rs. 100/- whereby the fund gets the 10% upside movement together with the 2% benefit on the arbitrage, and thus getting a total return of 12%.

- (b) **Buying spot and selling future:** Where the fund holds the stock of a company trading in the spot market at Rs 1000 while it trades at Rs. 1020/- in the futures market then fund may buy the stock at spot and sell in the futures market thereby earning Rs 20. In case of adequacy of cash with the fund, this strategy may be used to enhance returns of the Scheme which was otherwise sitting on cash.
- (c) **Buying stock future:** Where the scheme wants to initiate a long position in a stock whose spot price is at say, Rs.1000 and futures is at 980, then the fund may just buy the futures contract instead of the spot thereby benefiting from a lower cost option.
- (d) In case the fund has a bearish view on a stock which is trading in the spot market at Rs.1000/- and the futures market at say Rs.980/-. The fund can express such a view subject to extant SEBI regulations by initiating a short position in the futures contract. In case the view is right and the futures price depreciates to say 900/- the fund can square up the short position thereby earning a profit of Rs. 80/- Risk associated with this strategy:
- Lack of opportunities available in the market
  - Inability of the derivatives to correlate perfectly with underlying security
  - Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

## (ii) Strategies that use Options and the objectives of such strategies:

Option contracts are of two types - Call and Put; the former being the right, but not obligation, to purchase a prescribed number of shares at a specified price before or on a specific expiration date and the latter being the right, but not obligation, to sell a prescribed number of shares at a specified price before or on a specific expiration date. The price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options. Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price. Thus, options can be used to earn less volatile returns, earn the premium or use for hedging purposes etc.

### Illustrations of use of Options

**Call Option (Buy):** The fund buys a call option at the strike price of say Rs.1000 and pays a premium of say Rs. 50, the fund would earn

profits if the market price of the stock at the time of expiry of the option is more than 1050 being the total of the strike price and the premium thereon. If on the date of expiry of the option the stock price is below Rs 1000, the fund will not exercise the option while it loses the premium of Rs 50.

**Put Option (Buy):** The fund buys a Put Option at Rs 1000 by paying a premium of say Rs 50. If the stock price goes down to Rs. 900, the fund would protect its downside and would only have to bear the premium of Rs 50 instead of a loss of Rs 100 whereas if the stock price moves up to say Rs. 1100 the fund may let the Option expire and forego the premium thereby capturing Rs. 100 upside after bearing the premium of Rs.50.

**Writing a Put Option:** The fund writes a put option with the strike price of Rs1000 and earns a premium of say Rs 20. In case the stock trades at Rs 950 the put option will be exercised, the fund will earn the premium of Rs.20/- but losses the difference between the exercise price and the market price which is Rs.50/-. Where the stock trades at above the exercise price, the option-holder will not exercise the option and let it expire. In this case the fund will earn the premium income of Rs. 20.

The above four option positions can be initiated in both index based options as well as stock specific options.

Risk associated with this strategy:

- Lack of opportunities available in the market
- Inability of the derivatives to correlate perfectly with underlying security
- Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

Any Notifications, Guidelines and circulars introduced by SEBI on derivatives from time to time shall automatically apply and forms part of the Scheme Information Documents.

### Position Limits

All derivative position taken in the portfolio would be guided by the following principles.

#### i. Position limit for the Mutual Fund in index options contracts

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

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

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

**iii. Additional position limit for hedging**

In addition to the position limits at point (i) and (ii) above, the Mutual 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 Mutual 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 Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

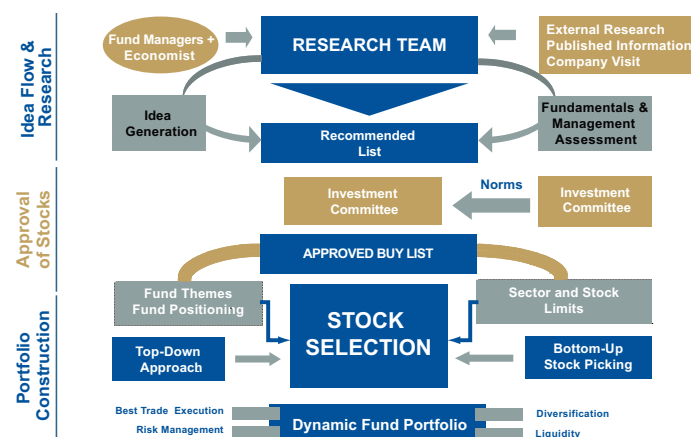
**iv. Position limit for Mutual Fund for stock based derivative contracts**

The position limits for Mutual Funds in individual stocks is related to the market-wide position limit for the individual stocks. The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

**v. Position limit for each scheme of a Mutual Fund for stock based derivative contracts**

The scheme-wise position limit / disclosure requirements shall be

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
  - 1% of the free float market capitalisation (in terms of number of shares) or
  - 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
3. For index based contracts, Mutual Funds 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.

**Procedure for investment decisions**

**Research & Analysis:** Research is meant to look at opportunities

differently from the market and competition. The Investment Manager has a research set up that works to identify Investment opportunities through continuous research on sectors and companies that are relevant to the theme and investment objectives of the Scheme. The analysis focuses on the performance and future prospects of the company and the business, financial health, competitive edge, managerial quality and practices, minority shareholder fairness, transparency. In order to get a good understanding of the Company being researched and its business management contact either by way of visit, or any other form of communication is made to assess the potential of the Company. Companies that adequately satisfy the prescribed criteria are included in the portfolio. The weight of individual companies will be based on their upside potential relative to downside risk and will be decided by the Fund Manager.

**Approval of Securities:** On completion of the research the analyst will put up the Research Report for approval by the Investment Committee. The Investment Committee comprises of the CEO / Managing Director, CIO – Equity, Head of Risk, COO and Head of Compliance. On approval by the Investment Committee, the stock will be included in the investment universe.

**Portfolio Construction & Selection of Stock for Investment / Sale:** The Fund Manager will construct the portfolio with stocks in the investment universe within the guidelines set in the Scheme Information Document. The Fund Manager will be the sole deciding authority in relation to stock selection, allocation of weight, sale & purchase of stocks and other issues that are related to portfolio construction. The reasons for purchase / sale are recorded in the system/Deal Tickets.

**Monitoring:** The Investment Committee reviews the performance of the Scheme on a monthly basis. Apart from performance various other subjects are also discussed covering Risk (volatility, liquidity, top holdings, concentration risk etc., in the portfolios), Fund Manager / Economist views on the economy and markets and validation of the same and it's reflection in the sector weights and portfolio positioning etc. The Research team also constantly monitors the sectors and companies assigned to them and updates the Fund Management team on an ongoing basis changes if any occurring to the companies in the portfolio and the sectors. The Research team also actively monitors for new investment opportunities.

An independent Risk management team is in place to oversee and monitor portfolio risk on a day-to-day basis. Internal risk control guidelines are in place and the portfolio contours are tracked on a daily basis to ensure adherence. Any deviation is brought to the notice of the Managing Director and the Fund manager for corrective action. Follow up actions are made to ensure that the deviation is corrected within the time period prescribed in internal risk control guidelines. Adherence to limits from SEBI regulations as well as

stipulations in the Scheme Information Document is monitored by the Compliance team. The Risk Management team reports to the CEO / MD.

**Risk Process / Guidelines:** Risk Management is an independent function and the Risk team reports directly to the MD. Broadly the function is divided into two – Regulatory and Internal. Regulatory risk consists of ensuring adherence to all the rules prescribed by the SEBI as well as the limits prescribed in the Offer documents. Internal risk monitoring consists of a host of other parameters that the risk team monitors on a continuous basis like internal limits (i.e. soft limits established to red flag potential breach in SEBI prescribed limits), adherence to fund style, operational and preparation of reports etc.,

The primary mechanism that the Risk team employs to monitor is through Bloomberg. All the rules (regulatory and internal) are uploaded into Bloomberg which thereafter monitors its adherence on a continuous basis. All trades are routed through Bloomberg systems and hence no deviation can occur without an alert being triggered by the Bloomberg system. Any breach in limits consequent to inputting of a trade is flagged off with various levels of concern and needs specific approvals in order to proceed.

### Portfolio turnover

Portfolio turnover is defined as the lower of the aggregate value of purchases or sales, as a percentage of the average corpus of the Scheme during a specified period of time. This will exclude purchases and sales of money market securities.

It is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio(s). It will be the endeavour of the Fund Manager to optimise the portfolio turnover rate and keep it as low as possible. There may be trading opportunities that present themselves from time to time, where in the opinion of the fund manager, there is an opportunity to enhance the total returns of the portfolio. The fund manager will endeavour to balance the increased cost on account of higher portfolio turnover, if any, with benefits likely to be derived from such an approach.

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### F. Fundamental Attributes

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

- (i) Type of a scheme: An open ended equity scheme predominantly investing in large cap stocks (Indicated in Highlights & Scheme Summary and Part II of this document)
- (ii) Investment Objective: The investment objective of the scheme is to generate capital appreciation by predominantly investing in large cap stocks.
- (iii) Investment pattern - As indicated in this Scheme Information

Document (Indicated in Highlights & Scheme Summary and Part II of this document).

- (iv) Terms of Issue-Provisions in respect redemption of units, fees and expenses: As indicated in this Scheme Information Document.

- Liquidity provisions such as listing, repurchase/redemption: As indicated in this Scheme Information Document (Indicated in Highlights & Scheme Summary and Part III of this document).
- Aggregate fees and expenses charged to the scheme. As indicated in this Scheme Information Document (Indicated in Highlights & Scheme Summary and Part IV of this document).
- Any safety net or guarantee; There is no such safety net/Guarantee (The Schemes covered in this document does not offer safety net or guarantee).

In accordance with Regulation 18(15A) of the SEBI Regulation, the Trustee shall ensure that no change in the fundamental attributes of the Scheme the Trustee, fee & expenses and any other change which would modify the Scheme and affect the interests of unit holders is carried out unless:

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

### G. Benchmark

#### Nifty 100 TRI Index.

The Nifty 100 TRI index is a representation of the large cap stocks in the market.

The Scheme intends to predominantly invest in large cap stocks which is best captured by Nifty 100 TRI Index. Hence, it is an appropriate benchmark for the Scheme

The Trustee reserves the right to change the benchmark if due to a change in market conditions, a different index appears to be providing a more appropriate basis for comparison of fund performance or if the indicated benchmark ceases to exist or undergoes a substantial change that renders it an ineffective base for performance comparison and analysis.

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## H. Fund Managers

## Annexure A

Name, Age	Educational Qualifications	Total Experience as Fund Manager	Name of the Scheme(s)
<b>Rahul Baijal</b> 46 Years	B.E , M.B.A	Sundaram Asset Management Company Fund Manager (Equity) <b>July 2016 – Present</b> Bharti AXA Life Insurance Fund Manager (Equity) <b>June 2012 – June 2016</b> TVF Capital (erstwhile Voyager Capital; India dedicated hedge fund, long- short public equity) Director- Portfolio Manager/Investment Analyst June 2005 – April 2012	<b>Fund Manager</b> Sundaram Select Focus Sundaram Equity Hybrid (Equity Portion)  <b>Joint Fund Manager</b> Sundaram Services Fund Sundaram Financial Services opportunities Fund Sundaram Debt Oriented Hybrid (Equity Portion)
<b>S. Bharath</b> 39 Years	B.Com, MBA, FRM, ICWA	Sundaram Asset Management Co Ltd. <b>Apr 2018 to till date</b> Head Investment Research & Fund Manager <b>Jan 2016 to Apr 2018</b> SPM Fund Manager <b>Jul 2012 – Dec 2015</b> Fund Manager <b>Aug 2004 – Jul 2012</b> Research Analyst <b>May 2002 - Jul 2004</b> Navia Markets Ltd Research Analyst	<b>Fund Manager</b> Sundaram Smart Nifty 100 Equal Weight Fund Sundaram Value Fund Series II - X Sundaram Long Term Tax Advantage Fund Series I - II  <b>Joint Fund Manager</b> Sundaram Infrastructure Advantage Fund Sundaram Equity Savings Fund (Equity Portion)
<b>Rohit Seksaria</b> 42 years	B.Com, PGDM, CFA	<b>Sundaram Asset Management Co. Ltd</b> Jan 2017 to till date Assistant Fund Manager – Equity <b>Progress Capital Pte Ltd, Singapore</b> Jun 2013 to Dec 2016 Senior Analyst <b>Matchpoint Investment Management</b> Asia Ltd, Hong Kong Jul 2010 to Mar 2013 <b>Progress Capital Pte Ltd, Singapore</b> Jul 2007 to Jul 2010 Senior Analyst <b>Irevna Research Services Ltd</b> Dec 2002 to Jul 2007 Head of Research <b>UTI Mutual Fund</b> May 2002 to Dec 2002 Manager	<b>Joint Fund Manager</b> Sundaram Global Brand Fund Sundaram Debt Oriented Hybrid Fund  Rohit Seksaria is the dedicated fund manager for investments in overseas securities.
<b>Dwijendra Srivastava</b> 45 Years	Bachelor of Technology (Textile Technology), CFA, PGDM (Finance)	<b>Sundaram Asset Management Co. Ltd</b> <b>Apr 2014 – till date</b> Chief Investment Officer - Debt <b>Jul 2010 – Apr 2014</b> Head – Fixed Income Deutsche Asset Management (India) Ltd <b>Jul 2007 – Jul 2010</b> Vice President and Fund Manager JM Financial Asset Management Ltd <b>May 2006 – Jul 2007</b> Fund Manager Tata Asset Management Co. Pvt Ltd <b>Jan 2003 – May 2006</b> Manager (Investments)	<b>Co-fund Manager</b> Sundaram Money Fund Sundaram Low Duration Fund Sundaram Corporate Bond Fund Sundaram Medium Term Bond Fund Sundaram Short Term Debt Fund Sundaram Debt Oriented Hybrid Fund Sundaram Banking & PSU Debt Fund, Sundaram Equity Savings Fund (Debt Portion) Sundaram Arbitrage Fund (Debt Portion) Sundaram Balanced Advantage Fund (Debt Portion)

^ Cut-off date considered for calculation of tenure is March 31, 2021.

The Trustee reserves the right to change the fund manager.

\*Post acquisition/merger, the Fund Managers are subject to change.



### I. Investment Restrictions

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions, wherever applicable shall apply in respect of the Schemes at the time of making investments. However, all investments by the Schemes will be made in accordance with the investment objective, asset allocation and where will the schemes invest, described earlier, as well as the SEBI (MF) Regulations, including schedule VII thereof, as amended from time to time. SEBI vide notification No. SEBI/LADNRO/ GN/2015-16/034 dated February 12, 2016 pertaining to Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2016 and vide circular no SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 made amendment in Investment Restrictions. The modified Investment restrictions as follows:

- 1 The Scheme shall not invest more than 10% of its NAV in debt instruments (including accrued interest) issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Securities and exchange Board of India Act, 1992. Such investment limit may be extended to 12% of the Scheme with the prior approval of the Board of Trustee and the Board of the Investment Manager. The limit shall not be applicable for investments in Government securities, Treasury Bills and TREPS.

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

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

For this, listed debt instruments shall include listed and to be listed debt instruments.

All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed with effect from one month from the date of operationalization of framework for listing of CPs or January 01, 2020, whichever is later.

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

- a. Investments will only be made in such instruments, including usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.

- b. Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.

- c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

- 3 The Schemes shall not invest more than 10% of their NAV in money market instruments of an issuer. Such limit shall not be applicable for investments in Government securities, Treasury Bills and TREPS.

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

- 5 Transfer of investments from one Scheme to another Scheme, including this Scheme shall be allowed only if such transfers are made at the prevailing market price for quoted securities on a spot basis and the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

Further SEBI vide Circular No. SEBI/HO/IMD/DF4/CIR/P/2020/202 dated October 08, 2020 on Inter Scheme Transfer has prescribed additional safeguards.

- i Key requirements of the circular are stated below:

- IST shall be permitted only if other resources such as cash and cash equivalent, market borrowing, and selling securities in the market are exhausted.
- ISTs will be permitted for the rebalancing of a portfolio only if there is a passive breach of regulatory limits or where duration, issuer, sector, and group rebalancing are required in both the transferor and transferee schemes.
- No inter-scheme transfer of a security shall be allowed, if there is negative news or rumour in the mainstream media or an alert is generated about the security, based on internal credit risk assessment.
- If the security gets downgraded within a period of four months following such a transfer, the fund manager of the buying scheme will have to provide detailed justification to the trustees for buying such a security.

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

- iii. Such transfer shall be carried out at the price obtained from valuation agencies in accordance with the guidelines provided in the SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019.

- iv. If prices are not received from any valuation agencies within the turn-around-time, such transfers shall be done at the prevailing market price for quoted instruments on spot basis. [Explanation - "Spot basis" shall have same meaning as specified by stock exchange for spot transactions.]

- 6 The Scheme may invest in other Schemes under the same AMC or any other Mutual Fund without charging any fees, provided the aggregate inter-Scheme investment made by all

the Schemes under the same management or in Schemes under management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund.

- 7 The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities. The mutual fund may enter into derivatives transactions in a recognized stock exchange (Indian / Overseas) in accordance with the guidelines/ framework specified by SEBI.
- 8 The scheme shall get the securities purchased/ transferred in the name of the Fund on account of the concerned Scheme, wherever investments are intended to be of a long-term nature.
- 9 No mutual fund Scheme shall make any investments in; a any unlisted security of an associate or group company of the sponsor; or b any security issued by way of private placement by an associate or group company of the Sponsor; or c the listed securities of group companies of the Sponsor which is in excess of 25% of its net assets.
- 10 The schemes shall not invest in Fund of funds scheme.
- 11 No mutual fund Schemes shall invest more than 10% of its NAV in equity shares of any one company.
- 12 All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
- 13 No loans for any purpose can be advanced by the Scheme.
- 14 The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/ redemption of units or payment of interest and IDCW to the unit holders. Such borrowings shall not exceed more than 20% of the net assets of the individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.
- 15 The Scheme will comply with provisions specified in Circular dated August 18, 2010 and March 04, 2021 related to overall exposure limits applicable for derivative transactions as stated below:
  - i. The cumulative gross exposure through equity, debt, REITs/InvITs and derivative positions should not exceed 100% of the net assets of the scheme.
  - ii. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
  - iii the Scheme shall not write options or purchase instruments with embedded written options.
  - iv the total exposure related to option premium paid must not exceed 20% of the net assets of the scheme
  - v. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
    - (a) hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
    - (b) hedging positions cannot be taken for existing

derivative positions. exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.

- (c) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
- (d) The quantity of underlying associated with the derivative position taken for hedging purpose does not exceed the quantity of the existing position against which hedge has been taken.
- vi. Mutual Funds may enter into interest rate swaps for hedging purposes. The counterparty in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
- vii. exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
- 16 i. The scheme shall not invest in securitized debt or in credit default swap.
- ii The scheme shall not engage in short selling.
- iii The scheme shall engage in securities lending subject a maximum of 20% and 5% for a single counter party.
- iv The Scheme shall invest in ADR/GDR/Overseas securities upto 20% of the net assets
- 17 A Mutual fund may invest in the units of REITs/InvITs subject to the following:
  - a) No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REITs/InvITs; and
  - b) A mutual fund scheme shall not invest -
    - i) more than 10% of its NAV in the units of REITs/InvITs; and
    - ii) more than 5% of its NAV in the units of REITs/InvITs issued by a single issuer.

Provided that the limits mentioned in sub-clauses (i) and (ii) above shall not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REITs/InvITs.

#### 18 Investment Restrictions for Covered Call option strategy:

The scheme can write Call options under a covered strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

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

- b) The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
- c) At all points of time the Mutual Fund scheme shall comply with the provisions at points (a) and (b) above. In case of any passive breach of the requirement at paragraph (a) above, the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.
- d) In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.
- e) In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
- f) The premium received shall be within the requirements prescribed in terms of SEBI circular dated August 18, 2010 and March 04, 2021 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
- g) The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of paragraph 3 of SEBI Circular no. Cir/IMD/DF/11/2010, dated August 18, 2010 and Circular No SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021.
- h) 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.

## 19 Sector Exposures

Total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T Bills, short term deposits of Scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) should not exceed 20% of the net assets of the scheme. Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs).

Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs should not exceed 20% of the net assets of the scheme.

## 20 Group Exposures

- a) Mutual Funds / AMCs shall ensure that total exposure of debt schemes of mutual funds in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.
- b) The investments by debt mutual fund schemes in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.
- c) For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

The Schemes will comply with any other Regulation applicable to the investments of mutual funds from time to time. Pursuant to SEBI Circular No: SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016.

## 21 Restrictions On Investment In Debt Instruments Having Structured Obligations / Credit Enhancements:

1. The investment of mutual fund schemes in the following instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:
  - a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
  - b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.
2. Investment limits as mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.
3. Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

AMCs may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without

impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMC(s) will initiate necessary steps to ensure protection of the interest of the investors.

4. Details of investments in debt instruments having structured obligations or credit enhancement features will be disclosed distinctively in the monthly portfolio statement of mutual fund schemes.

## 22 Investment in Foreign Securities:

According to SEBI circular no. SEBI/IMD/CIR No. 7/104753/07 dated September 26, 2007 read alongwith SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020, mutual funds can invest in ADRs/GDRs/other specified foreign securities and such investments are subject to an overall limit of US\$ 7 billion for all mutual funds put together with US \$ 50 million would be reserved for each Mutual Fund individually, within the overall industry limit of US \$ 7 billion. The Mutual Fund has been allowed an individual limit of US\$ 600 million. The overall ceiling for investment in overseas ETFs that invest in securities is US\$ 1 billion subject to a maximum of US\$ 200 million per mutual fund. Further, for all ongoing schemes that invest or are allowed to invest in Overseas securities / Overseas ETFs, an investment headroom of 20% of the average AUM in Overseas securities / Overseas ETFs of the previous three calendar months would be available to the Mutual Fund for that month to invest in Overseas securities / Overseas ETFs subject to maximum limits specified above.

## 23 Short Term Deposits:

Pending deployment of funds of the Schemes in terms of the investment objective of the Schemes, the Mutual Fund may invest them in short term deposits (STD) of scheduled commercial banks in accordance with applicable SEBI guidelines as stated below:

- a) "Short Term" for parking of funds by Mutual Funds shall be treated as a period not exceeding 91 days.
- b) Such deposits, if made, shall be held in the name of the scheme.
- c) The scheme shall not park more than 15% of its net assets in short term deposits of all scheduled commercial banks put together. This limit however may be raised to 20% with prior approval of the Trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of the total deployment by the scheme in short term deposits.
- d) The scheme shall not park more than 10% of the net assets in short term deposits with any one scheduled commercial bank including its subsidiaries.
- e) Trustees/Asset Management Companies (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 until the scheme has STD with such bank.

- f) The AMC(s) shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- g) Half Yearly portfolio statements shall disclose all funds parked in short term deposit(s) under a separate heading. Details shall also include name of the bank, amount of funds parked, percentage of NAV.
- h) Trustees shall, in the half Yearly Trustee Reports certify that provisions of the Mutual Funds Regulations pertaining to parking of funds in short term deposits pending deployment are complied with at all points of time. The AMC(s) shall also certify the same in its CTR(s).

Further SEBI vide its circular no. SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 clarified that Trustees/Asset Management Companies (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 until the scheme has STD with such bank.

The Trustee of the Mutual Fund may alter these limitations/objectives from time to time to the extent the SEBI Regulation change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for the mutual fund in order to achieve its investment objective. All investments of the Scheme will be made in accordance with the SEBI Regulation. All the Investment restrictions will be considered at the point of Investment.

## 24 Securities Lending by the Fund

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

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

1. The exposure of the Scheme at the time of lending will be restricted to 20% of its total assets and 5% for a single counter party.
2. The exposure to a single approved intermediary will not exceed 10% of the Total Assets of the Scheme or Rs.5 crore whichever is higher.

## 25 Participation in repo of corporate debt securities

In accordance with SEBI circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and CIR/IMD/DF/23/2012 dated November 15, 2012; scheme of Sundaram Mutual Fund (SMF) shall participate in the corporate bond repo transactions w.e.f. June 21, 2013 as per the guidelines issued by Reserve Bank of India (RBI) from time to time. Currently the applicable guidelines are as under:



- The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.
- Mutual Funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 44 (2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months

The investment restrictions applicable to the Scheme's participation in the corporate bond repos will also be as prescribed or varied by SEBI or by the Board of Sundaram Trustee Company Limited (subject to SEBI requirements) from time to time.

The following guidelines shall be followed by Sundaram Mutual Fund for participating in repo in corporate debt securities, which have been approved by the Board of AMC and Trustee Company.

(i) **Category of counterparty to be considered for making investment:**

All entities eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo transactions.

(ii) **Credit rating of counterparty to be considered for making investment**

The schemes shall participate in corporate bond repo transactions with counterparties having minimum investment grade rating and is approved by the Investment Committee on a case-to-case basis. In case there is no rating available, the Investment Committee will decide the rating of the counterparty, and report the same to the Board from time to time.

(iii) **Tenor of Repo and collateral**

As a repo seller, the scheme will borrow cash for a period not exceeding 6 months or as per extant regulations.

As a repo buyer, the Scheme are allowed to undertake the transactions for maximum maturity upto one year or such other terms as may be approved by the Investment Committee.

There shall be no restriction / limitation on the tenor of collateral.

(iv) **Applicable haircuts**

As per RBI circular RBI/2012-13/365 IDMD.PCD. 09 /14.03.02/2012-13 dated 07/01/2013, all corporate bond repo transaction will be subject to a minimum haircut given as given below:

- (1) AAA : 07.50%
- (2) AA+ : 08.50%
- (3) AA : 10.00%

The haircut will be applicable on the prevailing market value of the said security on the prevailing on the date of trade. However, the fund manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the market prevailing liquidity situation.

The Trustee of the Mutual Fund may alter these limitations/objectives from time to time to the extent the SEBI

Regulation change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for the mutual fund in order to achieve its investment objective. All investments of the Scheme will be made in accordance with the SEBI Regulation. All the Investment restrictions will be considered at the point of Investment.

## 26 Restriction on redemption in Mutual Funds

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

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

d. When restriction on redemption is imposed, the following procedure shall be applied:

i. No redemption requests upto INR 2 lakh shall be subject to such restriction.

ii. Where 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.

e. Disclosure:

The above information to investors shall be disclosed prominently and extensively in the scheme related documents regarding the possibility that their right to redeem may be restricted in such exceptional circumstances and the time limit for which it can be restricted.

## J. Scheme Performance

As the Fund has not completed 6 months by March 31, 2021, the performance of the same is not provided.

## K. Additional Scheme Related Disclosure(s)

## A. Portfolio Related Disclosures (as on 31st March 2021)

Portfolio-Top 10 Holdings(Issuer-Wise)		Sector Allocation(% of Net Assets)	
Issuer	% to NAV	Sector Allocation	% to NAV
Infosys Ltd	7.9	Banks	25.0
ICICI Bank Ltd	7.7	Software	16.4
HDFC Bank Ltd	7.0	Petroleum Products	8.9
Reliance Industries Ltd	6.8	Consumer Non Durables	8.4
Housing Development Finance Corporation Ltd	4.6	Finance	6.3
TATA Consultancy Services Ltd	4.4	Pharmaceuticals	4.6
Axis Bank Ltd	3.8	Construction Project	3.7
Larsen & Toubro Ltd	3.7	Telecom - Services	3.6
State Bank of India	3.7	Auto	3.1
Bharti Airtel Ltd	3.6	Ferrous Metals	2.9
<b>Total</b>	<b>53.0</b>	Cement & Cement Products	2.9
		Insurance	2.6
		Consumer Durables	2.0
		Gas	1.5
		Industrial Products	1.5
		Non - Ferrous Metals	1.2
		Transportation	1.0
		Pesticides	1.0
		Healthcare Services	0.9
		Construction	0.7
		Cash & Others	1.7
		<b>TOTAL</b>	<b>100.0</b>

## Portfolio Turnover Ratio: 66%

- Aggregate of equity securities and debt instruments held by the Scheme at issuer level/sectors are as of the date indicated.
- Top 10 holdings disclosure do not include cash & cash equivalents, fixed deposits and/or exposure in derivative instruments, if any.
- Others under sector disclosure include cash & cash equivalents.
- For complete details and latest monthly portfolio, investors are requested to visit:  
<https://www.sundarammutual.com/Statutory-Disclosures>

## B. Aggregate value of Investments held in the Scheme by the following category of person(s) as on 31st March 2021

Scheme Name	Net Asset Value of Units held (Rs. In Cr.)		
	AMC's Board of Directors	Fund Manager(s)	Key Managerial Personnel* (other than Scheme's Fund Manager(s))
Sundaram Bluechip Fund	0.64	0.16	0.01

\* Managing Director of the AMC is covered under the category of Key Managerial Personnel.

**A. New Fund Offer Details**

This section does not apply as the scheme covered in this document is available on an on-going basis for subscription and redemption.

**B. Ongoing Offer Details**

<b>Ongoing offer period</b>	The Scheme is available for subscription and redemption on all business days.
<b>Ongoing price for subscription/ redemption</b>	<p>(This is the price you need to pay for purchase/switch-in/redemptions/switch outs)</p> <p>At applicable NAV and Stamp Duty (Face Value Rs. 10/- per unit)</p> <p>The Redemption Price of the Units will be computed as follows:</p> <p>Redemption Price = Applicable NAV * (1 - Exit Load, if any).</p> <p>Applicable exit load shall be subject to the tenure of investment of the investor in the scheme vis-à-vis the exit load structure applicable when investor had invested in the scheme</p> <p>The Fund shall ensure that the Redemption Price is not lower than 95% of the NAV.</p>
<b>Cut off timing for subscriptions/ redemptions/ switches</b> (This is the time before which your application (complete in all respects) should reach the official points of acceptance.)	<p>Pursuant to SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2020/175 dated September 17, 2020, Investors are requested to note the revised provisions for applicability of NAV, with effect from February 1, 2021:</p> <p>Applicable NAV for Subscriptions / Switch-ins (irrespective of application amount):</p> <ol style="list-style-type: none"> <li>1. In respect of valid applications received upto 3.00 p.m on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Schemes before the cut-off time of the same day i.e., available for utilization before the cut-off time - the closing NAV of the day shall be applicable.</li> <li>2. In respect of valid applications received after 3.00 p.m on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Schemes before the cut-off time of the next Business Day i.e available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.</li> <li>3. Irrespective of the time of receipt of application at the official point(s) of acceptance, where funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Schemes before the cut-off time on any subsequent Business Day - i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable.</li> <li>4. For Switch-ins of any amount:</li> </ol> <p>For determining the applicable NAV, the following shall be ensured:</p> <ul style="list-style-type: none"> <li>• Application for switch-in 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 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 and settlement shall be in line with redemption payouts.</li> </ul> <p>To clarify, for investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP) and Transfer IDCW, etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization before the cut-off time by the Target Scheme irrespective of the installment date of the SIP, STP or record date of IDCW.</p>
<b>Where can the applications for purchase / redemption switches be submitted?</b>	<p>Subscription/redemption request can be submitted on any business day at branches of Sundaram Asset Management, the Registrar and at Investor Service Centres of the registrar.</p> <p>Registrar &amp; Transfer Agent</p> <p><b>KFin Technologies Private Limited</b></p> <p>CIN: U72400TG2017PTC117649</p>

	<p>Unit: Sundaram Mutual Fund, Tower- B, Plot No. 31 &amp; 32, Selenium building Gachibowli Road Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032. Contact No. 1860 425 7237 (India) +91 40 2345 2215 (NRI) Email us at: customerservices@sundarammutual.com Email us at: customerservices@sundarammutual.com, (NRI): nriservices@sundarammutual.com Applications can be submitted at branches of Sundaram Asset Management Company Ltd, details of which are furnished on back cover page of this document. Applications can also be submitted at the authorised POS of MF Utility India. Please refer section on MF Utility Platform under Highlights &amp; Scheme Summary Section for further information in this regard. The Investment Manager may modify, from time to time, the places for acceptance of applications in the interest of investors. For details investors may also refer to the website of the Asset Management Company / use the Toll Free Number provided in this document.</p>
<b>Transaction Charge to Distributors</b>	<ol style="list-style-type: none"> <li>The Distributor would be allowed to charge the Mutual Fund Investor a Transaction Charge where the amount of investment is Rs. 10,000/- and above on a per subscription basis</li> <li>For an investor other than First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 100/- per subscription of Rs. 10,000/- and above For a First Time Mutual Fund Investor, the Transaction Charge allowed will be Rs. 150/- per subscription of Rs. 10,000/- and above</li> <li>The Transaction Charge, where applicable based on the above criteria, will be deducted by the Investment Manager from the subscription amount remitted by the Investor and paid to the distributor; and the balance (net) amount will be invested in the scheme. Thus units will be allotted against the net investment.</li> <li>No Transaction charges shall be levied: <ol style="list-style-type: none"> <li>Where the distributor/agent of the investor has not opted to receive any Transaction Charges;</li> <li>Where the investor purchases the Units directly from the Mutual Fund (i.e. not through any distributor);</li> <li>Where total commitment in case of SIP / Purchases / Subscriptions is for an amount less than Rs. 10,000/-;</li> <li>On transactions other than purchases / subscriptions relating to new inflows. Switches / Systematic Transfers / Allotment of Bonus Units / IDCW reinvestment Units / Transfer / Transmission of units, etc will not be considered as subscription for the purpose of levying the transaction charge.</li> <li>Purchases / subscriptions carried out through stock exchange(s), as applicable.</li> </ol> </li> </ol> <p>The distributors can opt-in / opt-out of levying transaction charges based on 'type of the Product/Scheme' instead of 'for all Schemes'. Accordingly, the transaction charges would be deducted from the subscription amounts, as applicable.</p> <p>However, the distributor shall not be able to opt-in or opt-out at the investor-level i.e. a distributor shall not charge one investor and choose not to charge another investor.</p> <ol style="list-style-type: none"> <li>During the period of suspension, no commission shall be accrued or payable to the distributor whose ARN is suspended. During the period of suspension, commission on the business canvassed prior to the date of suspension shall stand forfeited, irrespective of whether the suspended distributor is the main ARN holder or a sub-distributor.</li> <li>All Purchase/Switch requests (including under fresh registrations of Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP) or under SIPs/STPs registered prior to the suspension period) received during the suspension period shall be processed under Direct Plan and shall continue to be processed under Direct Plan</li> </ol>



	<p>perpetually*, with a suitable intimation to the unitholder/s mentioning that the distributor has been suspended from doing mutual fund distribution.</p> <p>* If the AMC receives a written request / instruction from the unitholder/s to shift back to Regular Plan under the ARN of the distributor post the revocation of suspension of ARN, the same shall be honored.</p> <p>3. Any Purchase/Switch or SIP/STP transaction requests received through the stock exchange platform, from any distributor whose ARN has been suspended, shall be rejected.</p> <p>4. Additionally, where the ARN of a distributor has been terminated permanently, the AMC shall advise the concerned unitholder(s), who may at their option, either continue their existing investments under regular/distributor Plan under any valid ARN holder of their choice or switch their existing investments from regular/distributor Plan to Direct Plan subject to tax implications and exit load, if any.</p> <p>The transaction charges are in addition to the existing system of commission permissible to the Distributors. On subscription through Distributors, the upfront commission if any will be paid directly by the Investors to the Distributor by a separate cheque based on their assessment of various factors including the service rendered by the Distributor.</p> <p>Any circular/clarification issued by SEBI in this regard will automatically become applicable and will be incorporated in the SID/SAI/KIM wherever applicable.</p>
<b>Allotment on on-going basis</b>	For subscription to units by the investors, the units shall be allotted to them, provided the application is complete in every respect and in order. Otherwise the application may be rejected.
<b>How to apply</b>	Please refer to the Statement of Additional Information and Key Information Memorandum, which is a part of the Application Form (available free of cost with the offices of the Investment Manager and can be downloaded from the Website of the Investment Manager ( <a href="http://www.sundarammutual.com">www.sundarammutual.com</a> )).
<b>Minimum investment amount</b>	<p><b>New Investor/Existing</b> – Rs.100/- for both IDCW and Growth Option and any amount thereafter under each Plan/ option.</p> <p><b>Stamp Duty:</b> 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 The Finance Act, 2019, notified on February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India, a stamp duty @0.005% of the transaction value of units would be levied on applicable mutual fund inflow transactions, with effect from July 1, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including IDCW reinvestment and switch-in) to the Unit holders would be reduced to that extent.</p>
<b>Minimum amount for redemption/ switches</b>	The minimum amount for redemption/switch out will be: Regular & Direct Plan: Rs.100/- or 1 unit or account balance, whichever is lower. • STP (Weekly-processed on Wednesday's/next Business Day if Wednesday is not a Business Day): Rs 1000
<b>Minimum balance to be maintained</b>	Not Applicable
<b>Special facilities/products available</b>	<p><b>(1) Systematic Investment Plan (SIP)</b></p> <p>Minimum Six installments of Rs. 100/- for Monthly SIP, Rs.750 for Quarterly SIP, Rs.1,000 for Weekly SIP and any amount thereafter SIP Dates: Any Day (1st to 31st)</p> <p><b>Any Day SIP:</b> Investors can choose any preferred date of the month as SIP debit date. In case the chosen date falls on a non-business day, the SIP will be processed on the immediate next business day. In case chosen date is not available in a particular month, the SIP will be processed on the last business day of the month.</p> <p>The weekly SIP requests shall be processed on Wednesday of every week. If Wednesday is not a business day, the SIP installment will be processed on the next business day. SIP default date is 7th of every month, if no date is mentioned. <b>Perpetual SIP:</b> Perpetual SIP</p>

means an SIP wherein the maximum period/installment of investment under SIP is not mentioned by the investor and therefore, the installments will be recurring until the investor communicates his intention to close/stop the SIP investment. The minimum amount of SIP and the load structure will all remain the same. If the investor does not mention the period/installments of SIP in the application form, the SIP will be deemed to be for perpetuity unless and until the investor communicates his intention otherwise.

SIP will be terminated automatically if there are three consecutive failures. This will apply for SIP through Auto Debit and NACH/OTM. The Fund reserves the right to recover the related bank charges incurred.

#### **SIP Top-up feature**

The top-up feature under the Systematic Investment Plan is to enable the investors increase their contribution in an SIP at pre-determined intervals by a fixed amount during the tenure of SIP. This feature is optional and is available to investors Under all Schemes offering SIP facility w.e.f. April 21, 2014. The terms & conditions of the Top-Up feature are stated below:

#### **1. Frequency for Top-up: Monthly & Quarterly**

##### **a. For monthly SIP, the top-up options are:**

- **Half Yearly Top-up:** Under this option, the amount of investment through SIP installment shall be increased by an amount chosen by the Investor post every 6th (sixth) SIP installment.
- **Yearly Top-up:** Under this option, the amount of investment through SIP installment shall be increased by an amount chosen by the Investor post every 12th (twelfth) SIP installment.

##### **b. For Quarterly SIP, the top option is**

- **Yearly Top-up:** Under this option, the amount of investment through SIP installment shall be increased by an amount chosen by the Investor post every 4th (fourth) SIP installment.

In case the investor who has registered under quarterly SIP has opted for half yearly Top-up, the SIP will be registered and processed as Yearly Top-up.

The Top-up feature shall not be available for weekly SIPs.

2. Minimum Top-up Amount: Rs. 500 and in multiples of Re. 1/- thereafter.

3. Default Top-up Frequency and amount:

- a. In case the investor does not specify either the frequency or the amount for Top-up, the applications shall be processed with following default options: Default frequency - Yearly Default Amount – Rs. 500
- b. In case the investor does not specify the frequency for Top-up and amount for Top-up, the application form may be processed as SIP without Top-up feature, subject to it being valid and complete in all other aspects.

4. The SIP period has to be for a minimum of seven complete months in case of half-yearly top up and thirteen complete months for yearly top up.

5. SIP instalment amount has to be a minimum of Rs. 500/- in order to avail the top-up feature under monthly SIP. Otherwise, the transaction would be processed as a SIP without Top-up feature subject to it being valid and complete in all other aspects.

6. The Top-up option must be specified by the investors while enrolling for the SIP facility. The top-up feature can be availed only at the time of registration or renewal of SIP.

7. The Top-up feature shall be available for SIP Investments only through ECS (Debit Clearing) / Direct Debit Facility/Standing Instruction.

8. The top-up feature shall not be available in the following cases: (i) SIP registration under perpetual mode. (ii) SIP registrations which are received through Channel Partners, Exchanges and ISIPs. (iii) Registrations under COMBO SIP facility.

9. The Top-up details cannot be modified once enrolled. In order to make any changes, the investor must cancel the existing SIP and enroll for a fresh SIP with the revision in Top-

up details.

For further details please refer the Key Information Memorandum cum Application Form.

#### **SIP Pause Facility**

The existing investor who has an ongoing SIP will have an option to pause the SIP with effect from 23rd April 2020. The investor will have to submit the signed SIP Pause facility form duly complete in all respects to avail this facility.

The terms and conditions for availing the 'SIP Pause Facility' shall be as follows:

1. The SIP Pause Facility is available for SIP registration with monthly frequency only.
2. The request for SIP Pause should be submitted at least 21 days prior to the subsequent SIP date.
3. The request for SIP Pause can be for minimum 1 instalment and maximum 6 instalments
4. Investor can opt for the SIP Pause facility only once during the tenure of particular SIP.
5. The SIP shall continue from the subsequent instalment after the completion of Pause period automatically.

#### **(2) Systematic Withdrawal Plan (SWP)**

SWP may be appropriate for those seeking regular inflow of funds for their needs. The minimum amount, which the unit holder can withdraw, is Rs.100/-. The unit holder may avail himself of this plan by sending a written request to the Investment Manager or the Registrar. Withdrawals through SWP are effected on the specified redemption dates, at an interval of the investor's choice (monthly, quarterly, semi-annual or annual). The amount thus withdrawn by this option will be converted into units at the applicable redemption price on that date and will be subtracted from the units balance to the credit of the unit holder. Unit holders may change the amount indicated in the SWP, subject to the minimum amount specified above. The SWP may be terminated on written notice from the unit holder and it will terminate automatically when all the units of the unit holder are liquidated or withdrawn from the account. The unit holders can opt for either fixed or variable amount withdrawal under this facility.

#### **Fixed amount withdrawal**

The unit holder can withdraw a fixed amount (subject to a minimum amount of Rs.100/- on the Specified Redemption Dates. In this case, the withdrawal could affect the capital, reducing it or enhancing it based on the amount withdrawn and returns generated by the fund.

#### **Example**

Amount Invested: Rs.50,000/- in a Scheme of Sundaram Mutual Fund – Growth Option.

If the unit holder decides to withdraw Rs. 5,000/- every month, and the appreciation in a month is Rs. 1750/-, then such redemption proceeds will comprise of Rs. 1750/- from the capital appreciation and Rs.3250/- from the unit holder's capital account.

#### **(3) Systematic Transfer Plan (STP)**

STP is a facility wherein a unit holder of a Sundaram Mutual Fund scheme can opt to transfer a fixed amount or capital appreciation amount at regular intervals to another scheme of Sundaram Mutual Fund. The amount transferred under the STP from the Transferor scheme to the Transferee scheme, shall be effected by redeeming units of Transferor scheme and subscribing to the units of the Transferee scheme.

The STP can be availed by the investors on: 1st, 7th, 14th, 20th and 25th of every month/quarter. The weekly STP requests shall be processed on Wednesday of every week. If Wednesday is not a business day, the STP installment will be processed on the next business day.

Daily: Rs.1,000/- (6 Instalments);

Weekly: Rs.1,000/- (6 Instalments)

Monthly: Rs.100/- (6 Instalments);

Quarterly: Rs.750/- (6 Instalments)

Semi Annual /Annual: Rs.1,000/- (6 Instalments)

STP may be terminated automatically if the balance falls below the minimum account balance. The capital appreciation portion will be subject to capital gains tax at applicable rates.

Investors may opt to exit from the facility by giving a written notice to the Registrar at least 14 days prior to the next transfer date. STP may be terminated automatically if the balance falls below the minimum account balance or upon the receipt of notification of death/incapacity of the unit holders by the Fund. The Investment Manager reserves the right to have differential load structures for investors who opt for the STP. Rules relating to the STP may be changed from time to time by the Investment Manager.

Note: Where the specified dates are not business days, the next business day will be relevant. The Trustee can change the prescribed dates/installment amounts or any other feature at their discretion.

### **(3A) Daily Systematic Transfer Plan (Daily STP) facility**

Daily STP is a facility provided wherein the unit holder(s) of "Transferor Scheme(s)" can opt to transfer a fixed amount at daily intervals (Business days) from their existing investments under "Transferor Scheme(s)" to eligible "Transferee Scheme(s)" which is available for investment at that time.

Investors are requested to note the following terms and conditions with respect to availing Daily STP facility:

#### **i. Date of transfer**

Daily Interval (on all business days). Investors should note that in case of Daily STP, the commencement date for transfers shall be the 15th working day from the date of receipt of a valid request and thereafter, transfers shall be effected on all business days at NAV based prices, subject to applicable load. Thus, in the event of an intervening non-business day (e.g. Saturday and Sunday), STP triggers will not take place and consequently the total number of Daily STP instalments opted by the investor will be adjusted to that extent i.e., For e.g. if the investor has opted for 20 instalments and if 5 non business days happen to occur in the intervening period, then only 15 Daily STP instalments shall be triggered. In view of the intervening non business days, investors are advised to extend the period by including possible non business days during the transfer period for covering the intended instalments.

**ii. Load Structure** of the Transferor Scheme & Transferee Schemes as on the date of enrolment of STP shall be applicable.

#### **iii. Discontinuation of Daily STP**

- a) Daily STP will be automatically terminated if all units are liquidated or withdrawn from the Transferor Scheme or pledged or upon receipt of intimation of death of unit holder. Further, if the outstanding balance in "Transferor Scheme" does not cover any of the Daily STP instalment amount, all outstanding units will be liquidated and Daily STP will be effected for such outstanding balance and Daily STP will be terminated for subsequent instalments.
- b) Investors can also choose to terminate the Daily STP by giving a written notice of at least 7 Business Days in advance to the Official Points of Transactions and accordingly, termination of Daily STP shall be effected from 8th Business Day of receipt of valid request.
- iv. The provision of 'Minimum redemption amount' specified in the SID of Transferor Scheme and 'Minimum application amount' specified in the SID of the Transferee Schemes will not be applicable for Daily STP.
- v. The Trustee / AMC reserve the right to change / modify the terms of the Daily STP or withdraw this facility from time to time.

### **(4) IDCW Transfer Facility (DSO)**

Sundaram Trustee Company Limited, the Trustee to Sundaram Mutual Fund has introduced Transfer IDCW Option into all open ended schemes from any schemes (open ended and close ended) of Sundaram Mutual Fund.

The terms and conditions of the Transfer IDCW Option are as follows:



- 1) Transfer IDCW Option is a facility wherein unit holder(s) of eligible scheme(s) [hereinafter referred to as "Source Scheme(s)"] of Sundaram Mutual Fund can opt to automatically invest the IDCW (as reduced by the amount of applicable statutory levy, if any) declared by the eligible Source Scheme(s) into other eligible Scheme(s) [hereinafter referred to as "**Target Scheme(s)**"] of Sundaram Mutual Fund.
- 2) DSO facility is available to unit holder(s) only under the IDCW Plan / Option of the Source Scheme(s). However, the DSO facility will not be available to unit holder(s) under the Daily IDCW Option in the Source Scheme(s). Unit holder's enrolment under the DSO facility will automatically override any previous instructions for 'IDCW Payout' or 'IDCW Reinvestment' facility in the Source Scheme.
- 3) The enrolment for DSO facility should be for all units under the respective IDCW Plan / Option of the Source Scheme. Instructions for part IDCW Transfer and part IDCW Payout / Reinvestment will not be accepted. The IDCW amount will be invested in the Target Scheme under the same folio. Accordingly, the unit holder(s) details and mode of holding in the Target Scheme will be same as in the Source Scheme.
- 4) The enrolment to avail of DSO facility has to be specified for each Scheme/Plan/Option separately and not at the folio level.
- 5) Under DSO, IDCW declared (as reduced by the amount of applicable statutory levy and deductions, if any) in the Source scheme (subject to minimum of Rs.500/-) will be automatically invested into the Target Scheme, as opted by the unit holder, on the date of realisation of funds in the target scheme, subject to applicable load as specified under paragraph 8 below and accordingly equivalent units will be allotted in the Target Scheme, subject to the terms and conditions of the Target Scheme.
- 6) The provision for '**Minimum Application Amount**' specified in the respective Target Scheme's Scheme Information Document (SID) will not be applicable under DSO.
- 7) **Load Structure:** The IDCW amount to be invested under the DSO from the Source Scheme to the Target Scheme shall be invested by subscribing to the units of the Target Scheme at applicable NAV.  
**Entry Load (Target Scheme):** Nil for all type of plans  
**Exit Load (Target Scheme):** As per the relevant SID(s) The Trustee/AMC reserves the right to change the load structure at any time in future on a prospective basis.
- 8) The account statement will be issued by Email or by post/courier (if opted by the unitholder) to the unit holder once in a month, in case of any transactions made during the month.
- 9) Unitholders who wish to enroll for DSO facility are required to fill DSO Enrolment Form available with the ISCs, distributors/agents and also displayed on the website [www.sundarammutual.com](http://www.sundarammutual.com). The DSO Enrolment Form should be completed in English in Block Letters only. Please tick (✓) in the appropriate box, where boxes have been provided. The DSO Enrolment Form complete in all aspects should be submitted at any of the Investor Services centre (ISCs) of Sundaram Mutual Fund.
- 10) The request for enrolment for DSO must be submitted at least 10 days prior to the Record Date for the IDCW. In case of this condition not being met, the enrolment would be considered valid from the immediately succeeding Record Date of the IDCW.
- 11) Unitholder(s) are advised to read the SID(s) of Target Scheme(s) carefully before investing. The SID(s) / Key Information Memorandum(s) of the respective Scheme(s) are available with the ISCs of Sundaram Mutual Fund, brokers / distributors and also displayed on the Sundaram Mutual Fund website i.e. – [www.sundarammutual.com](http://www.sundarammutual.com)
- 12) Unit holders will have the right to discontinue the DSO facility at any time by sending a written request to the ISC. Notice of such discontinuance should be received at least 10 days prior to the IDCW Record Date. On receipt of such request, the DSO facility will be terminated. At the time of discontinuation of DSO facility, the Unit holders should indicate their choice of option i.e. IDCW reinvestment or IDCW payout.

	<p>In the event the Unitholder does not indicate his choice of IDCW option, the IDCW, if any, will be reinvested (compulsory payout if IDCW reinvestment option is not available) in the Source Scheme. Once the request for DSO is registered, then it shall remain in force unless it is terminated as aforesaid.</p> <p>13) The Trustee reserves the right to change/ modify the terms and conditions of the DSO at a later date on a prospective basis.</p> <p><b>(5) Pledge</b></p> <p>Pledge of units will be recognised. For details please contact our Investor Service Centres. In case of Pledge of Units held in Demat Form, the prescribed procedures of DP will have to be followed. Transfer/Withdrawal facility will not be available in respect of Units which are subject to Lock-in or pledge</p> <p><b>(6) Online Transaction</b></p> <p>Investors desirous of using online services can do so after obtaining a login password by executing an IPIN agreement. For more details please refer to Statement of Additional Information and website <a href="http://www.sundarammutual.com">www.sundarammutual.com</a>.</p> <p><b>(7) Purchase/Redemption through NSE and BSE Exchange Platform</b></p> <p>MFSS of NSE / BSE Star MF Platform The Trustee may, at its sole discretion, at a later date offer a facility to subscribe and redeem the units of schemes through the infrastructure of the MFSS of NSE / BSE Star MF Platform introduced by NSE &amp; BSE for transacting in units of the scheme. A suitable public announcement will be made if any such move is initiated. Investor may also purchase the units through MF Utility.</p> <p><b>(8) KFINKART Facility</b></p> <p>In addition to the existing investor service centers and other modes of investment, investors / unit holders of Sundaram Mutual Fund ('the Fund') will now be allowed to transact in schemes of the Fund through <a href="http://www.mfs.kfintech.com">www.mfs.kfintech.com</a> as well as mobile app, electronic platforms provided by KFin Technologies Pvt. Ltd., Registrar &amp; Transfer Agent of the Fund ('KFin'). The facility to transact in schemes will also be available through mobile application of Kfin i.e. 'KFINKART'</p> <p>The Trustee reserves the right to amend, add or withdraw any special features/conditions in the interest of investors.</p>
<b>Account statement</b>	<p><b>Consolidated Account Statement:</b></p> <p>(1) A consolidated account statement (CAS)^ for each calendar month to the Unit holder(s) in whose folio(s) transaction**(s) has/have taken place during the month shall be sent on or before 15th of the succeeding month by mail/e-mail.</p> <p><b>^Consolidated Account Statement (CAS)</b> shall contain details relating to all the transactions** carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor, if any.</p> <p><i>**The word 'transaction' shall include purchase, redemption, switch, IDCW payout, IDCW reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.</i></p> <p>(2) In case of a specific request received from the Unit holders, the AMC/Mutual Fund will provide the account statement to the investors within 5 Business Days from the receipt of such request.</p> <p>(3) In case the mutual fund folio has more than one registered holder, the first named Unit holder shall receive the CAS/account statement.</p> <p>(4) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).</p> <p>(5) The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.</p>

	<p>(6) Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 21st day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly CAS will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical. Such Consolidated Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement.</p> <p>(7) The statement of holding of the beneficiary account holder for units held in DEMAT will be sent by the respective DPs periodically.</p> <p>8) Pursuant to SEBI circular CIR/MRD/DP/31/2014 dated November 12, 2014, investors having Mutual Fund investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository. Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis. If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within ten days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.</p> <p>9) Pursuant to SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, the following points have been incorporated to increase the transparency of information to the investors.</p> <p>A. Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme.</p> <p>B. Further, CAS issued for the half-year (ended September/ March) shall also provide:</p> <p>(i) The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as GST (wherever applicable, as per existing rates), operating expenses, etc.</p> <p>(ii) The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.</p> <p>C. Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.</p> <p>10) As per SEBI Circular no. SEBI/HO/IMD/DF3/CIR/P/2020/194 dated October 05, 2020 on IDCW option/plans in mutual fund schemes, whenever distributable surplus is distributed under IDCW Plan, the AMCs are required to clearly segregate and disclose, income distribution (appreciation in NAV) and capital distribution (Equalisation Reserve) in the Consolidated Account Statement provided to the investors. The above provisions is effective from 1 April 2021</p> <p>Any circular/clarification issued by SEBI in this regard will automatically become applicable and shall be incorporated in the SID/SAI/KIM wherever applicable.</p>
<b>IDCW</b>	<p>The IDCW warrant/cheque shall be dispatched to the unit holders within 15 days of the date of declaration of the IDCW. The Investment Manager shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay. The prescribed rate at present is 15% per annum. In case of delay, the AMC shall be liable to pay interest @ 15 per cent per annum to the unit holders. It may be noted that the Mutual Fund is not</p>

	guaranteeing or assuring any IDCW. IDCW payment may also be done by Direct Credit subject to availability of necessary facility at each location. For further details please refer to the Application Form.
<b>Redemption</b>	The redemption or redemption proceeds shall be dispatched to the unit holders within 10 business days from the date of redemption. During circumstances such as market closure / breakdown / calamity / strike / violence / bandh, extreme price volatility/SEBI Directives etc, the Trustee can stop/suspend sale/redemption of Units.
<b>Delay in payment of redemption proceeds</b>	The redemption proceeds will be dispatched to the Unitholders within 10 Business days from the date of maturity. For any delay in this regard the Investment Manager will be liable to pay interest @ 15% p.a. (or such other rate as may be prescribed by SEBI).
<b>Policy on unclaimed redemption and IDCW amounts</b>	<p>The treatment of unclaimed redemption &amp; IDCW amount will be as per SEBI circular dated Feb 25, 2016. The unclaimed redemption and IDCW amounts, that were earlier allowed to be deployed only in call money market or money market instruments. Alternatively, it is also be allowed to be invested in a separate plan of Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. In this regard, Board of AMC and Trustee of Sundaram Mutual Fund have approved the introduction of unclaimed Amount Plan for the investor to ascertain any unclaimed IDCW or redemption proceeds shall be deployed in Sundaram Liquid Fund unclaimed plan on behalf of the investor under his/her applicable folios and the same has been provided under following link</p> <p><a href="https://mfs.kfintech.com/mfs/sundaram_unclaimed.aspx">https://mfs.kfintech.com/mfs/sundaram_unclaimed.aspx</a>. The Investment Manager shall make a continuous effort to remind the investors through letters to take their unclaimed amounts. The overall TER for unclaimed plan including AMC Fee is restricted to 50 bps. please check the circulars and addendum issued for introduction of unclaimed plan.</p>
<b>Bank account details</b>	As per the directives issued by SEBI, it shall be mandatory for the Unitholders to mention their bank account numbers in their applications. Unitholders are requested to give the full particulars of their Bank Account i.e. nature and number of the account, name, nine digit MICR code No. (For Electronic Credit Facility), IFSC code for NEFT a 11 digit number, branch address of the bank at the appropriate space in the application form. Proceeds of any redemption will be sent only to a bank account that is registered and validated in the Investor's folio at the time of redemption transaction processing. For further details please refer to the instructions in the Application Forms/SAI and the Website of the Mutual Fund.
<b>Registration of Bank Account</b>	<p>The Unitholders may choose to receive the redemption/IDCW proceeds in any of the bank accounts, the details of which are registered with the Investment Manager by specifying the necessary details in the "Bank Accounts Registration form" which will be available at our office/KFin Technologies Private Limited and on the website of <a href="http://www.sundarammutual.com">www.sundarammutual.com</a>. Individuals, HUFs, Sole proprietor firms can register up to five bank accounts and other investors can register up to ten bank accounts in a folio. The unitholder can choose anyone of the registered bank accounts as default bank account. In case the investor fails to mention any preference, then by default the first number indicated in the list shall be the preferred account number.</p> <p>If unit holder(s) provide a new and unregistered bank mandate or a change of bank mandate request with a specific redemption proceeds (with or without necessary supporting documents), such bank account may not be considered for payment of redemption proceeds, or the Fund may withhold the payment for up to 10 calendar days to ensure validation of new bank mandate mentioned. Valid change of bank mandate requests with supporting documents will be processed within ten business days of necessary documents reaching the head office of the RTA and any financial transaction request received in the interim will be carried based on previous details only. For more details please refer our website <a href="http://www.sundarammutual.com">www.sundarammutual.com</a>. For any queries and clarifications that you may have, please get in touch with us at our office or call our Contact No.: 1860 425 7237 (India) +91 40 2345 2215 (NRI).</p>
<b>Non Acceptance of Third Party Instruments</b>	Applications accompanied by a Third Party Instrument will be rejected. Applications accompanied by pre-funded instruments (such as demand drafts, pay order etc.) will also



	<p>be rejected unless accompanied by a banker's certificate evidencing the source of the funds. In case such pre-funded instruments are purchases through cash for value of Rs 50,000/- and above the same shall also be rejected irrespective of being supported with banker's certificate.</p> <p>Following are the exceptional situations when Third-Party Payments can be made with relevant declaration and KYC/PAN of such Third Party:</p> <ul style="list-style-type: none"> <li>(i) Payment made by an employer on behalf of its employee(s) under Systematic Investment Plans through payroll deductions;</li> <li>(ii) Custodian on behalf of an FII or a client.</li> </ul> <p>The above list is not a complete list and is only indicative in nature and not exhaustive. Any other method of payment, as introduced by the Fund will also be covered under these provisions. The AMC may also request for additional documentation as may be required in this regard from the investor/person making the payment. When payment is made through pre-funded instruments (such as Pay Order, Demand Draft, Banker's cheque, etc.), a certificate from the issuing banker must accompany the application stating the account holder's name and the account number which has been debited for the issue of the instrument. If payment is made by RTGS, NEFT, ECS, bank transfer, etc., a copy of the instruction to the bank stating the account number debited must accompany the application. The AMC may, at its discretion, reject any application which is incomplete or not accompanied with valid documents.</p>
<b>Plans / Options offered</b>	<p><b>Plans:</b> Regular Plan and Direct Plan</p> <p><b>Options:</b> Growth, Income Distribution cum Capital Withdrawal (IDCW): Payout, Re-Investment &amp; Transfer sub-options</p> <p>If no option is indicated, the default option will be Growth. If an investor chooses the IDCW Option but fails to indicate a sub option, the default sub-option shall be IDCW Transfer (Default destination Scheme- Sundaram Money Fund - Growth), when the IDCW payable is Rs. 500 or more and IDCW Reinvestment in the same scheme when IDCW payable is less than Rs.500 in the respective sub option.</p> <p>If no option is indicated, the default option will be Growth. If an investor chooses the IDCW Option but fails to indicate a sub-option, the default sub-option shall be Transfer IDCW, when the IDCW payable is Rs. 500 or more and IDCW Reinvestment in other cases.</p> <p>All plans and options available for offer under the scheme will have a common portfolio</p> <p>Direct Plan is only for investors who purchase /subscribe Units into the Scheme directly with the Fund and is not available for investors who invest through a Distributor.</p> <p>Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund.</p> <p>The expense ratio of Direct Plan shall be lower than that of the Regular Plan as it shall exclude distribution expenses like commission, etc. No commission for distribution of Units will be paid / charged under Direct Plan. The direct plan will also have a separate NAV.</p> <p>Investors wishing to subscribe under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form.</p> <p>In the following cases, the applications shall be processed under the Direct Plan:</p> <ol style="list-style-type: none"> <li>1. Distributor code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name</li> <li>2. Where application is received for Regular Plan without Distributor code or the word "Direct" is mentioned in the ARN column.</li> <li>3. Neither the plan nor the distributor code is mentioned in the application form</li> </ol> <p>In the following cases, the applications shall be processed under the Regular Plan:</p> <ol style="list-style-type: none"> <li>1. The application form contains the distributor code but does not indicate the plan.</li> <li>2. Where application is received for Regular Plan with Distributor code.</li> </ol> <p>The following matrix will be applied for processing the applications in the Regular or Direct</p>

Plan:

Broker Code mentioned by the investor	Plan mentioned by the investor	Plan under which units will be allotted
Not mentioned	Not mentioned	Direct Plan
Not mentioned	Direct	Direct Plan
Not mentioned	Regular	Direct Plan
Mentioned	Direct	Direct Plan
Direct	Not Mentioned	Direct Plan
Direct	Regular	Direct Plan
Mentioned	Regular	Regular Plan
Mentioned	Not Mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan.

The Investment Manager shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

**Growth Option:** Investors who prefer to accumulate the income and also do not have a need to receive the cash flow to meet specific financial goals can opt for the growth option. The income earned on the units will remain invested in the Scheme and will be reflected in the Net Asset Value. No IDCW will be declared under this option. If units of this option are held as a capital asset for a period of at least 12 months from the date of allotment, income from such units will be treated as long-term capital gains for tax purposes.

**Income Distribution cum Capital Withdrawal (IDCW) Option:** Income distribution under this option may be declared by the Trustee at its discretion from time to time subject to the availability of distributable surplus calculated in accordance with the Regulations. There is no assurance/guarantee with respect to the quantum or the frequency or the certainty of distribution. The decision on whether to declare a Dividend or not will depend on the performance of the scheme and availability of distributable surplus. The Dividend pay out may also vary from time to time. The decision of the Trustee will be final in this regard.

Further, Investor shall note that when units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains shall be credited to an Equalization Reserve Account and which can be used to pay IDCW. Hence IDCW amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains.

Unit holders opting for the IDCW Option only will be eligible to receive the dividend. Considering the date and value of the eligible units, the income so distributed shall be contrued as Income from reserves or from capital invested and such bi-furcation would be provided in the CAS.

All unit holders whose names appear in the Register of the Scheme in the IDCW Option category as on the Record Date will be entitled to the IDCW. The IDCW payment will be subject to the statutory levy, if any, payable by the Mutual Fund as per the Income Tax Act or other laws in force.

After the record date for distribution of income, the NAV per unit will decline to the extent of the pay out and statutory levy, if any.

Investors can opt either for Income Pay-Out Option or Transfer or Re-investment Option.

- **IDCW Pay-Out:** The Investment Manager shall dispatch the dividend for IDCW option holders through cheque / warrant within 15 days of declaration of income distribution. The cheques / warrant will be drawn in the name of the sole/first holder and will be posted/mailed to the address indicated by the investor in the application form. Investors are required to provide bank account details - the name of the bank, branch

	<p>and account number - in the application form. Such payment may also be done by Direct Credit subject to availability of necessary facility at each location.</p> <ul style="list-style-type: none"> <li>• <b>IDCW Re-Investment:</b> Investors have the option to re-invest the income by way of buying additional units of the scheme. Additional units will be allotted based on the ex-NAV of the IDCW Option on the next business day after the Record date for the IDCW. No entry load will be charged for such re-investment of first income. The re-investment of first income shall automatically be deemed to be constructive payment of income distributed to the unit holder and constructive receipt by the unit holder.</li> </ul> <p>If the distributed amount payable to unitholders in IDCW payout option of the scheme under a folio is less than or equal to ₹ 500/, then such amount shall be compulsorily reinvested in the same plan / option instead of payout.</p> <p>If additional units issued under this option are held as a capital asset for a period of more than 36 months (as applicable) from the date of allotment, any gain over the cost of acquisition will be treated as long-term capital gains for tax purposes.</p> <ul style="list-style-type: none"> <li>• <b>IDCW Transfer Facility (DSO):</b> This option will be available only when the amount payable to the investor's account on the Record Date in a folio is equal to or more than Rs.500/. The distributed income so payable will be automatically swept into the Target Scheme (Open ended schemes) as opted by the unitholder, on the date of realisation of funds in the target scheme (DSO form available in the website <a href="http://www.sundarammutual.com">www.sundarammutual.com</a>) after the Record Date at the applicable NAV of the Target Scheme, subject to applicable load and accordingly equivalent units will be allotted in the Target Scheme (Open ended schemes), subject to the terms and conditions of the Target Scheme depending upon whether the investment was registered with or without broker code of the chosen scheme at the applicable NAV.</li> </ul> <p>Investors should indicate the Plan and Option in the application form by ticking the appropriate box provided for this purpose. If no option is indicated, the default option will be Growth. If an investor chooses the IDCW Option but fails to indicate a sub option, the default sub-option shall be IDCW Transfer (Default destination Scheme- Sundaram Money Fund - Growth), when the IDCW payable is Rs. 500 or more and IDCW Reinvestment in the same scheme when IDCW payable is less than Rs.500 in the respective sub option. The chosen Plan and Option can be changed by sending a request in writing signed by all the unit holder(s) to the Registrar.</p>
<b>International Security Identification Number (ISIN)</b>	<p>The Investor have an option to hold the units either in the physical or demat mode in accordance with his/her own choice. International Security Identification Numbers (ISIN) in respect of the plans/options of the schemes have been created and admitted in National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The details of ISIN are provided in highlights and Scheme Summary section of this document. In case the unitholder desires to hold the units in Dematerialized / Rematerialized form at a later date, the request for conversion of units held in non-DEMAT form into DEMAT (electronic form) or vice-versa should be submitted along with a DEMAT/REMAT request form to their Depository Participants.</p>
<b>Know Your Customer (KYC) / CKYC</b>	<p>The Securities and Exchange Board of India has issued detailed guidelines on 18/01/2006 and measures for prevention Money Laundering and had notified SEBI (KYC Registration Agency) Regulations, 2011 on December 02, 2011 with a view to bring uniformity in KYC Requirements for the securities market and to develop a mechanism for centralization of the KYC records. SEBI has also issued circulars from time to time on KYC compliance and maintenance of documentation pertaining to unit holders of mutual funds. Accordingly the following procedures shall apply:</p> <ul style="list-style-type: none"> <li>• KYC acknowledgement is mandatory for all investors.</li> <li>• An application without acknowledgement of KYC compliance will be rejected</li> <li>• New Investors are required to submit a copy of Income Tax PAN card, address proof and other requisite documents along with the KYC application form to any of the intermediaries registered with SEBI, including Mutual Funds to complete KYC effective from January 01, 2012. The KYC application form is available at <a href="http://www.sundarammutual.com">www.sundarammutual.com</a></li> </ul>

- The Mutual Fund shall perform initial KYC of its new investors and send the application form along with the supporting documents to the KYC Registration Agency (KRA).
- During the KYC process, the Mutual Fund will also conduct In Person Verification (IPV) in respect of its new investors effective from January 01, 2012. Sundaram Asset Management Company Limited and the NISM / AMFI certified distributors who are KYD compliant are authorized to carry out the IPV for investors in mutual funds. In case of applications received directly from the investors (i.e. not through the distributors), mutual funds may rely upon the IPV performed by the scheduled commercial banks.
- The KRA shall send a letter to the investor within 10 business days of the receipt of the KYC documents from Mutual Fund, confirming the details thereof.
- Investors who have obtained the acknowledgement after completing the KYC process can invest in Scheme of the Mutual funds by quoting the PAN in the application form.
- Investors are required to complete KYC process only once to enable them to invest in Scheme of all mutual funds.
- Existing Investors, who have already complied with the KYC requirements, can continue to invest as per the current practice.

Pursuant to SEBI circular no. MIRSD/Cir-5/2012 dated April 13, 2012, mutual fund investors who were KYC compliant on or before December 31, 2011 are required to submit 'missing/not available' KYC information and complete the 'In Person Verification' (IPV) requirements if they wish to invest in a new mutual fund, where they have not invested / opened a folio earlier, effective from December 03, 2012: Individual investors have to complete the following missing/not available KYC information:

- a) Father's/Spouse Name,
- b) Marital Status,
- c) In-Person Verification (IPV).

To update the missing information, investors have to use the "KYC Details Change Form" for Individuals Only available at [www.sundarammutual.com](http://www.sundarammutual.com) or [www.amfiindia.com](http://www.amfiindia.com). Section B of the form highlights 'Mandatory fields for KYCs done before 1 January 2012' which has to be completed.

In case of Non Individuals, KYC needs to be done afresh due to significant and major changes in KYC requirements by using "KYC Application form" available for Non-Individuals only in the websites stated above.

Additional details like Nationality, Gross Annual Income or Net worth as on recent date, Politically Exposed Person, and Non Individuals providing specific services have to be provided in Additional KYC details form available in the website of the Investment Manager.

Duly filled forms with IPV can be submitted along with a purchase application, to the new mutual fund where the investor is investing / opening a folio. Alternatively, investors may also approach their existing mutual funds at any investor service centre to update their 'missing/not available' KYC information.

**Ultimate Beneficial Owner** Pursuant to Prevention of Money Laundering Act, 2002 (PMLA) and Rules framed thereunder and SEBI Master circular dated December 31, 2010 on Anti Money Laundering (AML), sufficient information to identify persons who beneficially own or control the securities account is required to be obtained. Also, SEBI had vide its circular no. CIR / MIRSD / 2 / 2013 dated January 24, 2013 prescribed guidelines regarding identification of Ultimate Beneficial Owner(s) ('UBO'). As per these guidelines UBO means 'Natural Person', or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement. Investors are requested to refer to the 'Declaration for UBO' available in the website of the Investment Manager for detailed guidelines on identification of UBO. The provisions relating to UBO are not applicable where the investor or the owner of the controlling interest is a company listed on a stock exchange, or is a majority owned subsidiary of such a company.



**Central KYC**

Central KYC Registry is a centralized repository of KYC records of customers in the financial sector with uniform KYC norms and inter-usability of the KYC records across the sector with an objective to reduce the burden of producing KYC documents and getting those verified every time when the customer creates a new relationship with a financial entity. KYC procedure means the due diligence procedure prescribed by the Regulator for identifying and verifying the proof of address, proof of identity and compliance with rules regulations, guidelines and circulars issued by the Regulators or Statutory Authorities under the Prevention of Money Laundering Act, 2002.

The Central Govt. vide notification dt. Nov, 26, 2015 has authorised Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to act as and to perform the functions of the CKYC Registry including receiving, storing, safeguarding and retrieving the KYC records in digital form of a Client. A 14 digit CKYC identification Number (KIN) would be issued as identifier of each client.

As per PMLA (Maintenance of Records) Amendment rules, 2015, Rule 9(IA), every reporting entity shall within three days after the commencement of an account based relationship with an individual, file the electronic copy of the client's KYC records with the Central KYC Registry. Institutions need to upload the common KYC template along with the scanned copy of the certified supporting documents (Pol/PoA), cropped signature and photograph. SEBI vide its circular dated November 10, 2016 has advised all mutual funds to upload the KYC records of all existing customers into the CKYC database.

Since the records are stored digitally, it helps intuitions de-duplicate data so that they don't need to do KYC of customers multiple times. It helps institutions find out if the client is KYC compliant based on Aadhaar, PAN and other identity proofs. If the KYC details are updated on this platform by one entity, all other institutions get a real time update. Thus, the platform helps firms cut down costs substantially by avoiding multiplicity of registration and data upkeep.

Please note that PAN is mandatory for investing in MF's (Except Micro KYC and other exempted scenarios). If CKYC is done without submission of PAN, then he/she will have to submit a duly self-certified copy of the PAN card alongwith KIN.

First time investing Financial Sector (New investor) New to KRA-KYC: while on boarding investors who are new to the MF & do not have KYC registered as per existing KRA norms, such investors should fill up CKYC form (attached). This new KYC form is in line with CKYC form guidelines and requirements and would help to capture all information needed for CKYC as well mandatory requirements for MF. Investors should submit the duly filled form along with supporting documents, particularly, self-certified copy of the PAN Card as a mandatory identity proof. If prospective investor submits old KRA KYC form, which does not have all information needed for registration with CKYC, such customer should either submit the information in the supplementary CKYC form or fill the CKYC form.

Updation of Permanent Account Number (PAN) for processing redemption and related transactions in non-PAN exempt folios and various communication(s) sent in this regard from time to time, it is reiterated that, it is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor.

Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests will not be processed if the unit holders have not completed KYC requirements.

Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/ CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent their PAN information along with the folio details for updation in our records.

Investors who have obtained the KIN through any other financial intermediary, shall provide the 14 digit number for validation and updating the KYC record.

**Who can invest**

This is an indicative list and investors are requested to consult a financial/investment/tax/legal

advisor to ascertain whether the Scheme is suitable to their risk profile. Investors need to comply with KYC/PAN verification norms, as elaborated in Statement of Additional Information. The following persons, subject to subscription to units of mutual funds being permitted under respective constitution and relevant statutory regulation, are eligible and may apply for subscription to the units of the Scheme:

- 1 Resident adult individuals either singly or jointly (not exceeding three)
- 2 Minors through parents/ lawful guardians
- 3 Companies/Bodies Corporate/Public Sector Undertakings registered in India
- 4 Religious and Charitable Trusts under the provisions of 11(5)(xii) of Income Tax Act 1961 read with Rule 17C of Income Tax Rules, 1962.
- 5 Wakf Boards or endowments and Registered societies (including registered co operative societies) and private trusts, authorised to invest in units.
- 6 Partnership firm/Limited Liability Partnership
- 7 Trustee of private trusts authorised to invest in mutual fund Scheme under the Trust Deed
- 8 Karta of Hindu Undivided Family (HUF)
- 9 Banks, including Co-operative Banks and Regional Rural Banks, and Financial Institutions
- 10 Non-Resident Indian (NRI) and Persons of India Origin on full repatriation basis subject to RBI approval, if any
- 11 A mutual fund subject to SEBI regulation
- 12 Foreign Institutional Investors (FIIs) registered with SEBI and sub-accounts of FIIs on full repatriation basis subject to RBI approval, if any
- 13 Army/Air Force/Navy/Para-Military Funds and other eligible institutions
- 14 Non-Government Provident/Pension/Gratuity and such other funds as and when permitted to invest
- 15 Scientific and/or industrial research organisations authorised to invest in mutual fund units
- 16 International Multilateral Agencies approved by the Government of India
- 17 Non-Government Provident/Pension/Gratuity funds as and when permitted to invest
- 18 A Scheme of the Sundaram Mutual Fund, subject to the conditions and limits prescribed by SEBI, Trustee, the Investment Manager and the Sponsor. The Investment Manager shall not charge any fees on such investments.
- 19 Other associations and institutions authorised to invest in mutual fund units.
- 20 Any individual, being a foreign national who meets the residency tests as laid down in Foreign Exchange Management Act, 1999 or such other act / guidelines / regulations as issued by the RBI / SEBI from time to time.
- 21 Qualified Foreign Investors (QFI) as may be permitted by SEBI from time to time
- 22 Any other category of persons who are permitted to invest in the Schemes of Mutual Fund as per the guidelines and / or directions issued by the Government of India / SEBI / RBI from time to time.
- 23 Foreign Portfolio Investor registered under SEBI (Foreign Portfolio Investor) Regulations, 2014

As per Notification No. LAD-NRO/GN/2014-15/01 dated May 06, 2014 on SEBI (Mutual Funds) (Amendment) Regulations, 2014 the sponsor of Sundaram Mutual Fund or Sundaram Asset Management Company Limited shall invest not less than one percent of the assets under management of each of the scheme covered in this document as on date of notification of these regulations i.e., May 06, 2014 or fifty lakh rupees, whichever is less, in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up. Such amount shall be invested within one year from the date of notification of these regulations.

In addition, Sundaram Asset Management may invest in the Scheme depending upon its cash flows and investment opportunities. In such an event, the Investment Manager will not

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	<p>charge management fees on its investment for the period it is retained in the Scheme. Such investment shall not exceed 25% of the net assets of the Scheme on the date of investment. The Trustee/Mutual Fund reserves the right to include/exclude a category of investors, subject to SEBI Regulation and other prevailing statutory regulation, if any.</p> <ul style="list-style-type: none"> <li>• it is expressly understood that the investor has the necessary legal authority and has complied with applicable internal procedures for subscribing to the units. The Investment Manager/Trustee will not be responsible in case any transaction made by an investor is ultra vires the relevant constitution/internal procedures.</li> <li>• Non-Resident Indians, Persons of Indian Origin residing abroad and Foreign Institutional Investors (FIIs) have been granted a general permission by the Reserve Bank of India [Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulation, 2000] for investing in/redeeming units of mutual funds subject to conditions set out in the aforesaid regulation.</li> <li>• In the case of an application under a power of attorney or by a limited company, other corporate body, an eligible institution, a registered society, a trust fund, the original power of attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application, as the case may be, or a duly notarised copy along with a certified copy of the memorandum and articles of association and/or bye-laws and/or trust deed and/or partnership deed and certificate of registration should be submitted. The officials should sign the application under their official designation. A list of duly certified/attested specimen signatures of the authorised officials should also be attached to the application. In case of a trust/fund, it shall submit a resolution from trustee(s) authorising the purchase.</li> <li>• The Investment Manager/Trustee/Registrar may need to obtain documents for verification of identity or such other details relating to a subscription for units as may be required under any applicable law, which may result in delay in processing the application. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirement. Any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar/Investment Manager may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.</li> <li>• Unitholder information (mandatory): In terms of SEBI circular PAN shall be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. However in the case of investments under Micro SIP simplified alternative identification documents are allowed as per SEBI Circular. For further details please refer to Statement of Additional Information.</li> <li>• Small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/businessmen/workers can invest in the scheme through the mode of cash payment for fresh purchases/additional purchases upto Rs.50,000/- per investor, per mutual fund, per financial year subject to provision of PERKN obtained: <ul style="list-style-type: none"> <li>(i) Compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under;</li> <li>(ii) SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines; and</li> <li>(iii) Sufficient systems and procedures put in place by the AMC / Mutual Fund.</li> </ul> </li> </ul> <p>However, payment to such investors towards redemptions, IDCW, etc. with respect to aforementioned investments shall be paid only through banking channel. Sundaram Mutual Fund / Investment Manager is yet to set up appropriate systems and procedures for the said purpose</p>
<b>Who cannot invest</b>	<ol style="list-style-type: none"> <li>1. Persons residing in countries which require licensing or registration of Indian Mutual Fund products before selling the same in its jurisdiction.</li> <li>2. Citizens of US/Canada</li> <li>3. Persons residing in any Financial Action Task Force (FATF) declared non-compliant country or territory.</li> </ol>

	<p>4. Overseas Corporate Bodies as specified by RBI in its A.P. (DIR Series) Circular No. 14 dated September 16, 2003,</p> <p>5. Such other persons as may be specified by AMC from time to time.</p>
<b>Allotment</b>	<p>Allotment is assured to eligible applicants as long as applications are subject to realisation of investment amount into the schemes.</p> <p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/or mobile number. The Trustee may reject any application that is not valid and/or complete. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued for purchase of units. Dispatch of account statements to NRI/PIO/FIIs will be subject to RBI approval.</p>
<b>Refund</b>	<p>The refund should be made within five business days from the date of receipt of application and realization of money into the credit of the scheme's bank account whichever is later failing which an interest @15% shall be paid for the belated refunds.</p>
<b>Restrictions, if any, on the right to freely retain or dispose of unit being offered.</b>	<p>The Trustee may, in the general interest of the unit holders of the Scheme and when considered appropriate to do so based on unforeseen circumstances/unusual market conditions limit the total number of units that may be redeemed on any Business Day to 5% of the total number of units then in issue in the Scheme, plan (s) and option(s) thereof or such other percentage as the Trustee may determine. Any units that are not redeemed on a particular Business Day, will be carried forward for redemption to the next Business Day in order of receipt. Redemption of such carried forward units will be priced on the basis of the applicable NAV, subject to the prevailing load, of the Business Day on which redemption is processed. Under such circumstances, to the extent multiple redemption requests are received at the same time on a single Business Day, redemptions will be made on a pro-rata basis based on the size of each redemption request; the balance amount will be carried forward for redemption to the next Business Day. In addition, the Trustee reserves the right, in its sole discretion, to limit redemption with respect to any single account to Rs.1 lakh on a single business day.</p>
<b>Allotment Advice (for DEMAT holders)</b>	<p>On acceptance of a valid application for subscription, units will be allotted and a confirmation specifying the number of units allotted by way of email and/or SMS within 5 Business Days from the date of receipt of valid application / transaction to the Unit holder's registered e-mail address and/or mobile number. Subject to SEBI Regulations, Statement of Accounts will be sent to those unitholders whose registered email address / mobile number is not available with the Mutual Fund, unless otherwise required. Money would be refunded in respect of applications that are rejected.</p> <p>The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form.</p>
<b>Dematerialisation</b>	<p>If any investor, who holds the units in physical form, wishes to convert the same to DEMAT form, he shall do so in accordance with the provisions of SEBI (depositories and participants) Regulations, 1996 and procedure laid down by NSDL or CDSL, which may be amended time to time.</p>
<b>Rematerialisation</b>	<p>If the applicant desires to hold the units in physical form (statement of account mode), the Investment Manager shall issue the statement subject to rematerialization of Units in accordance with the provisions of SEBI (Depositories &amp; Participants) Regulations, 1996 as may be amended from time to time. All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of income distributions, if any, as may be declared by the Trustee.</p>



## C. Periodic Disclosures

**Net Asset Value**

(This is the value per unit of the Scheme on a particular day. An investor can ascertain the value of his holdings by multiplying the units owned with the NAV.)

The Investment Manager will calculate and disclose the first NAV of the scheme not later than five business days from the allotment of units. The Investment Manager will prominently disclose the NAVs of all schemes under a separate head on its website and on the website of Association of Mutual Funds in India (AMFI). Further, the Investment Manager will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

NAV will be updated on the websites of Sundaram Asset Management ([www.sundarammutual.com](http://www.sundarammutual.com)) and the Association of Mutual Funds of India ([www.amfiindia.com](http://www.amfiindia.com)) Sundaram Asset Management shall update the NAVs on the website of Association of Mutual Funds in India before 11.00 p.m. every business day.

In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of working hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

**Annual Report**

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular No. Cir/IMD/ DF/16/2011 dated September 8, 2011, read with SEBI Mutual Fund (Second Amendment) Regulation 2018, the Scheme-wise annual report or an abridged summary thereof shall be provided by AMC/Mutual Fund within four months from the date of closure of relevant accounting year in the manner specified by the Board.

The scheme wise annual report will be hosted on the websites of the Investment Manager and AMFI. The Investment Manager will display the link on its website and make the physical copies available to the unitholders, at its registered offices at all times.

The Investment Manager will e-mail the scheme annual reports or abridged summary thereof to those unitholders, whose email addresses are registered with the Mutual Fund.

In case of unitholders whose email addresses are not registered with the Mutual Fund, the Investment Manager will communicate to the unitholders, through a letter enclosing self-addressed envelope enabling unitholders to 'opt-in' within 30 days, to continue receiving a physical copy of the scheme-wise annual report or abridged summary thereof.

The Investment Manager will conduct one more round of similar exercise for those unitholders who have not responded to the 'opt-in' communication as stated above, after a period of not less than 30 days from the date of issuance of the first communication. Further, a period of 15 days from the date of issuances of the second communication will be given to unitholders to exercise their option of 'opt-in' or 'opt-out'.

The Investment Manager will publish an advertisement every year disclosing the hosting of the scheme wise annual report on its website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter), etc. through which unitholders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement will be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

**Go Green Services: Save the Future**

- **Go Green E-Update/Mobile Services:** Registration of Contact Details: By opting to receive the Account Statement and Abridged Scheme Annual Report in a paperless mode by e-mail, you contribute to the environment. The investor is deemed to be aware of security risks including interception of documents and availability of content to third parties. Sundaram Asset Management provides interesting information on the economy, markets and funds. If you wish to receive documents such as The Wise Investor, India Market Outlook, Global Outlook, Fact Sheet and One Page Product Updates, to name a few, please choose the 'yes' option.
- **Go Green Call Service:** If you are an existing investor and wish to register your email ID & mobile number with us, please call our Contact No. 1860 425 7237 (India) +91 40 2345 2215 (NRI) between 9.00 & 6.00 pm on any business day. Provide E-mail ID of either Self or Family Member with Relationship.

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	<p>'Family' for this purpose shall mean self, spouse, dependent children, dependent parents as specified in SEBI Circular No.CIR/MIRSD/15/2011 dated Aug 02, 2011</p> <ul style="list-style-type: none"> <li>As per AMFI Best practices Guidelines Circular No.77/2018-19, Primary holder's own email address and mobile number should be provided for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions.</li> </ul> <p>The Investment Manager will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unitholder.</p>
<b>Associate Transactions</b>	Please refer to Statement of Additional Information
<b>Taxation</b>	<p>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the Scheme.</p> <p><b>Please refer a summary of tax-related aspects in the section-Highlights and Summary of this document</b> and the Statement of Additional Information at <b>www.sundarammutual.com</b>.</p>
<b>Investor services</b>	<p>Prospective investors and existing unit holders are welcome to contact Customer Service using the Toll Free 1860 425 7237 (India) +91 40 2345 2215 (NRI).</p> <p>Investors may also contact the Investor Relations Manager.</p> <p><b>Dhiren H Thakker</b> Head- Customer Services Sundaram Asset Management Company Limited Satellite Gazebo, Unit no. 101/102, B Wing, B D Sawant Marg, Chakala, Andheri-Ghatkopar Link Road, Andheri (East), Mumbai – 400 093. Contact No. 1860 425 7237 (India) +91 40 2345 2215 (NRI) Email us at : customerservices@sundarammutual.com (NRI): nriseservices@sundarammutual.com</p> <p>The Mutual Fund endeavours to complete all monetary and non-monetary transactions within ten business days from the date of receipt of request.</p>

#### D. Computation of NAV

The Net Asset Value (NAV) is the most widely accepted yardstick for measuring the performance of any Scheme of a Mutual Fund. NAV calculations shall be based upon the following formula:

$$\frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Current Liabilities and Provision}}{\text{Number of units outstanding of the Scheme}}$$

Valuation of Scheme's assets and calculation of the Scheme's NAV will be subject to such rules or regulation that SEBI may prescribe.

NAV of the Scheme – plan/option wise - will be calculated and disclosed up to four decimals.

For more details relating to valuation, please refer Highlights & Scheme Summary.

**Methodology of calculating the sale and repurchase price of units**

**Sale Price:** Applicable NAV subject to Stamp Duty

**Repurchase Price:** The exit fee is usually a percentage of the Net Asset Value (NAV) of the mutual fund held by investors. Once the AMC deducts the exit load from the total Net Asset Value, the remaining amount gets credited to the investor's account.

Suppose, an investor has invested Rs.10,000 in mutual fund schemes in January 2017. The NAV of the scheme is Rs. 100 and the exit fee for redeeming before one year is 1%. In March 2017, the investor opt for an additional investment of 50 units at Rs 105 in the same fund. He redeems all his investments in the fund in November 2017, when the NAV is Rs. 110 in scenario 1 and Rs 115 in scenario 2 (February 2018)? His exit load is as follows:

100 Units bought in January 2017 @ Rs 100 = Rs 10,000

50 units bought in March 2017 @ Rs 105 = Rs 5,250

**Scenario 1 (Full Redemption before expiry of 1 year)**

Exit charges on redemption in November 2017.

Exit Load: 1% of [(100 units x Rs. 110) + (50 units x Rs. 110)] = Rs 165.

The amount credited the investor Rs. 16,500 (Rs. 110\*150 units) – Rs. 165 = Rs. 16,335 (Total NAV – Exit fee & STT)

In scenario 1 exit load is applicable on 150 units purchased in January and March 2017 as the holding period is less than 1 year

**Scenario 2 (Full Redemption after expiry of 1 year)****Investor redeems 50 units**

Exit charges on redemption in February 2018.

Exit Load: 1% of (50 units x Rs. 115) = Rs 57.5

The amount credited the investor Rs. 17,250 (Rs. 115\*150 units) – Rs. 57.5= Rs. 17,192.5 (Total NAV – Exit fee & STT)

In scenario 2 exit load is not applicable on 100 units purchased in January 2017 as the holding period is more than 1 year

Investments in overseas securities and exchange-traded funds will be valued at the closing price at which they were traded at the end of the valuation day.

On the valuation day, the securities issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed or at the last available traded price. In case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. The Stock Exchange once selected would be used consistently till changed by recording the reasons in writing by Board of AMC. Due to difference in time zones of different markets, in case the closing prices of the security are not available within the given time frame to enable the AMC to upload NAVs for a valuation day, the AMC may use the last available traded price for the purpose of valuation. The use of closing price/last available traded price for the purpose of valuation will also be based on the practice followed in a particular market.

In case a security is not traded on valuation day, the price adopted for the previous working day shall be considered, provided that the date on which last available price was available, should not be more than 30 days.

If a security is not traded for the last 30 days, AMC may value it on a fair value basis by the valuation committee. The source of the price shall be taken from (a) Bloomberg or (b) Reuters or (c) any other publicly available sources.

## IV. Fees, Expenses & Load Structure

### A. New Fund Offer Expenses

Not applicable.

### B. Recurring Expenses & Fee (Fundamental Attribute)

- The total annual recurring expenses of the Scheme, excluding deferred revenue expenditure written off, issue or redemption expenses, but including the investment management and advisory fee that can be charged to the scheme shall be within the limits specified in Regulation 52 of SEBI (Mutual Funds) Regulations.

The expenses chargeable to the scheme shall include investment management & advisory fee, Trustee fee, custodian fee, Registrar and Transfer Agent fee, Audit fee, Marketing and Selling expenses and other expenses as listed in the table below:

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.25%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and income distribution or redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
GST on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses	
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (4) and (6) (c)</b>	<b>Upto 2.25%</b>
Additional expenses for gross new inflows from specified cities under regulation 52 (6A) (b)	Upto 0.30%
Additional expenses under regulation 52 (6A) (c)	Upto 0.05%

The current expense ratios will be updated on a daily basis in the website viz. [www.sundarammutual.com/TER](http://www.sundarammutual.com/TER) and in case of any proposed changes via notice at least three working days prior to the effective date of change will be sent to investor and available under the link:

<https://www.sundarammutual.com/TER>.

Brokerage & Transaction costs which are incurred for the purpose of execution of trade and is included in cost of investments, not exceeding 0.12% in case of cash market transactions and 0.05% of the value of trades in case of derivatives transactions.

Additional expenses for gross new inflows from specified cities under regulation 52 (6A) (b) - Upto 0.30%

The maximum recurring expenses that can be charged to the Scheme shall be subject to a percentage limit of daily net assets as shown in the following table

First Rs 500 crore:	2.25%
Next Rs 250 crore:	2.00%
Next Rs 1,250 crore:	1.75%
Next Rs 3,000 crore:	1.60%
Next Rs 5,000 crore:	1.50%
Next Rs 40,000 crore:	Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores or part thereof.
On balance of assets:	1.05%

In addition to the above, following expenses can be charged to the Scheme:

- Up to 5 basis points (bps) under Regulation 52(6A)(c),
- Up to 30 bps for gross new inflows from retail investors from B30 cities, and
- Goods and Services Tax (GST) on investment management and advisory fees.

Commission expenses will not be charged in Direct Plan and no commission shall be paid from Direct Plan.

As per **Regulation 52(6A)(b)**, An additional expense upto 0.30% (30 basis points) on the daily net assets shall be charged to the scheme if new inflows into the scheme from beyond top 30 cities as specified by SEBI, from time to time, are at least:

- 30% of the gross new inflows in the scheme (or)
- 15% of the average assets under management (year to date) of the scheme, whichever is higher.

In case the inflows from such cities is less than the higher of (a) or (b) above, expenses shall be charged to the scheme on a proportionate basis as prescribed in the SEBI circular dated September 13, 2012.

The amount so charged shall be utilised for distribution expenses incurred for bringing inflows from such cities.



However, the amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme(s) in case the said inflows are redeemed within a period of one year from the date of investment.

Top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography - Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

Additional TER can be charged based on inflows only from retail investors from B30 cities. Inflows of amount upto Rs.2 lakhs per transaction by individual investors shall be considered as inflows from "retail investor".

Top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography - Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

The expense ratio of Direct Plan shall be lower than that of the Regular Plan as it shall exclude distribution expenses like commission, etc. No commission for distribution of Units will be paid / charged under Direct Plan. The direct plan will also have a separate NAV.

*Note: The above percentage is based on the prevailing expenses ratio. Any change in the above mentioned distribution expenses/commission will be replaced while filing the final SID.*

**SEBI vide Circular dated October 22, 2018 made the following changes with regard to Total Expense Ratio and the substance of the circular is as under:**

#### Transparency in TER

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the Asset Management Companies (AMC), its associate, sponsor, trustee or any other entity through any route. 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.

No pass back, either directly or indirectly, shall be given by MFs/ AMCs/ Distributors to the investors.

Training sessions and programmes conducted for distributors should continue and should not be misused for providing any reward or non-cash incentive to the distributors.

The Investment Manager will comply with the above circular. Sundaram Asset Management reserves the right to charge different heads of expenses, both inter-se or in total, within the overall limits as specified in the table above.

#### Illustration on Total Expense Ratio

Value of Rs.10000 on 12% annual returns in 1 year, considering 1% Expense Ratio

Amount Invested	10,000.00
NAV at the time of investment	10
No. of units	1,000.00
Assume gross appreciation	12%
Gross NAV	11.2
Expenses (assuming 1% Expense Ratio on average of opening & closing NAV)	0.11
Actual NAV at the end of 1 year post expenses (assuming Expense Ratio as above)	11.09
Value of Investment at the end of 1 year (Before Expenses)	11,200.00
Percentage Return	12%
Value of Investment at the end of 1 year (After Expenses)	11,094.00
Percentage Return	10.94%

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

2. Brokerage and transaction costs which are incurred for execution of trades and included in the cost of investment shall be charged to the Scheme(s) in addition to the total expense limits prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations. These expenses shall not exceed 0.12% of the value of trades in case of cash market transactions and 0.05% of the value of trades in case of derivatives transactions. Payment towards brokerage and transaction cost in excess of 0.12% and 0.05% for cash market transactions and derivatives transactions respectively shall be charged to the scheme within the maximum limits prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure (including brokerage and transaction cost, if any) in excess of the prescribed maximum limit shall be borne by the Investment Manager or by the Trustee or Sponsor.
3. The Investment Manager shall set apart at least 0.02% (2 basis points) on the daily net assets of the scheme(s) within the maximum limit of total expense ratio prescribed under Regulation 52 of SEBI (Mutual Funds) Regulations for initiatives towards investor education and awareness taken by Sundaram Mutual fund.
4. GST:
  - Pursuant to SEBI circular no CIR/IMD/DF/24/2012

dated November 19, 2012, GST on brokerage and transaction cost paid for execution of trade, if any, shall be within the expenses limit prescribed under Regulation 52 of SEBI (Mutual Funds) Regulations.

- GST on investment management and advisory fee shall be charged to the scheme in addition to the maximum limit of total expense ratio as prescribed in Regulation 52 of SEBI (Mutual Funds) Regulations.
- GST for services other than investment management and advisory shall be charged to the scheme within the maximum limit of total expense ratio as prescribed in Regulation 52 of SEBI (Mutual Funds) Regulations.

Any circular/clarification issued by SEBI in regard to expenses chargeable to the Scheme/Plan(s) will automatically become applicable and will be incorporated in the SID/SAI/KIM accordingly.

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### C. Load Structure

#### Type of Load Load chargeable (as % age of NAV)

Entry	Nil
Exit	<p>Nil - If up to 25% of the units invested are redeemed, withdrawn by way of SWP or transferred by way of STP within 365 days from the date of allotment - NIL</p> <p>If more than 25% of the units invested are redeemed, withdrawn by way of SWP or transferred by way of STP within 365 days from the date of allotment. - exit load of 1% of the applicable NAV will be charged.</p> <p>For redemption or transfer by way of STP or withdrawal by way of SWP after 365 days from the date of allotment – Nil</p>

Load structure is indicated as a percentage of applicable NAV.

Further, exit load will be waived on Intra-scheme and Interscheme Switch-outs.

Any imposition or enhancement in the load shall be applicable on prospective investments only and will be calculated on First in First out (FIFO) basis.

However, the upfront commission to distributor (ARN holder) will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor. The distributor (ARN holder) will disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing Scheme of various mutual funds from amongst

which the Scheme is being recommended to the investor.

### V. Rights of Unitholders

Please refer to Statement of Additional Information for a detailed view of the rights of unit holders.

### VI. Penalties & Pending Litigations

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- Details of penalties awarded by SEBI under the SEBI Act or any of its Regulation against the sponsor of the Mutual Fund in the last three years: Nil
- No penalties have been awarded by SEBI under the SEBI Act or any of its Regulation against the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the Investment Manager, Trustee or any of the directors or any key personnel (specifically the fund managers) of the Investment Manager and Trustee. No penalties have been awarded on the Sponsor and its associates by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors. No penalties have been awarded for any economic offence and violation of any securities laws.
- There are no pending material litigation proceedings incidental to the business of the Mutual Fund to which the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the Investment Manager, Trustee or any of the directors or key personnel of the Investment Manager is a party. Further, there are no pending criminal cases against the Sponsor or any company associated with the sponsor in any capacity including the Investment Manager, Trustee or any of the directors or key personnel.
- There is no deficiency in the systems and operations of the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity, including the Investment Manager which SEBI has specifically advised to be disclosed in the Scheme Information Document, or which has been notified by any other regulatory agency.
- There are no enquiries or adjudication proceedings under the SEBI Act and the Regulation, which are in progress against any company associated with the sponsor in any capacity including the Investment Manager, Trustee or any directors or key personnel of the Investment Manager.

### Jurisdiction

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All disputes arising out of or in relation to the issue made under the Scheme will be subject to the exclusive jurisdiction of courts in India.

### Applicability of SEBI (Mutual Fund) Regulations

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

## Customer Care Centres of Sundaram Asset Management Company Limited

**Agra**, Shop no.9/4, Shanker Point, Sanjay Place, Near Income Tax Building, Pin code: 282002. **Ahmedabad**, No 409, Shree Balaji Paragon, Near Hotel Rock Regency, C.G. Road, Navragpura, Ahmedabad – 380009. **Ajmer**, 1st Floor, Adjoining K C Complex Opp: Daulat Bagh, Ajmer 305001. **Akola**, C-13, First Floor, Dakshata Nagar, Vyapari Complex, Sindhi Camp Chowk, Akola-444001. **Allahabad**, Vashishtha Vinayal Tower, Upper Ground Floor, 38/1 Tashkhant Marg, Allahabad - 211001. **Amritsar**, C/O Sundaram Finance Ltd, 1st Floor, 27-A, Classic Plaza, Majitha Road, Amritsar 143001. **Anand**, 202 Drashit Arcade, Opp . HDFC Bank, Lambhvel Road . Anand 388001. **Aurangabad**, Office No-36 Motiwala Trade Center, Nirala Bazar Opp HDFC Bank, Aurangabad-431001. **Bangalore**, No.F18, First Floor, Lucky Paradise, 8th F Main, 22nd Cross, 3rd Block Jayanagar, Bangalore-560011. **Bangalore**, Ground Floor Sana Plaza, 21 / 14 - A , M.G. Road, Near Trinity Metro Station, Bangalore - 560001. **Baroda**, Office No. 109, First Floor, Siddharth Complex, R C Dutt Road, Baroda – 390007. **Bhagalpur**, ANN Tower, 1st Floor, RBSS Road, Bhikhanpur, Bhagalpur 812 001, Bihar. **Bhavnagar**, F1 Krishna Complex, Near desai nagar petrol pump, Chitra, Bhavnagar - 364003. **Bhilai**, 36/5, 1st Floor, Nehru Nagar, Beside of ING Vysa Bank, Bhilai 490020. **Bhopal**, Plot no, 6 VNV Plaza 2nd Floor Bank Street , M.P Nagar Zone 2, Bhopal - 462011. **Bhubaneswar**, Office No. 16, 2nd Floor, Deen Dayal Bawan, Ashok Nagar, Bhubaneswar 751009. **Burdwan**, 5 B, M.V Apartment, 36 G.T. Road, Parbirhata, Po: Sripally, Burdwan 713103. **Calicut**, 1st Floor, Karupalli Square, YMCA Cross Road, Calicut-673001. **Chandigarh**, S.C.O II Floor, 2475-2476, 22/C, Chandigarh 160022. **Chennai (HO)**, Sundaram Towers 1st & 2nd Floor, No.46 Whites Road , Royapettah, Chennai - 600014. **Chennai (Mount Raod)**, 1st Floor Metro Plaza, 221 (Old No. 162), Anna Salai, Mount Road, Opp. Spencer Plaza, Chennai-600 002. **Cochin**, Kassim Towers, 36/1899 Door No, D I Floor Sebastian Road, Off. Kaloar, Kadavanthra Road, Kaloar, Cochin - 682017. **Coimbatore**, 101-E, II Floor, Kala Mansion Building, D B Road, R. S Puram, Coimbatore - 641002. **Cuttack**, 1st Floor, Kailash Plaza, (In Front of BSNL Office), Link Road, Cuttack-753012. **Davangere**, #2609/17, MCC -A- Block, 21st Ward, Muddalli thota Davangere 577002. **Dehradun**, 57/19, Raipur Road, II Floor, Shiva Palace, Dehradun - 248 001. **Delhi**, Room no. 301/314, 3rd floor, Ashoka Estate, 24 Barakhamba Road, New Delhi - 110001. **Dhanbad**, Sri Ram Plaza, Room No-107, 1st Floor, Bank More, Dhanbad 826 001. **Durgapur**, A-307, Bengal Shristi Complex, II Floor, Citi Center, Durgapur - 713 216. **Erode**, Ms. URT Tower, No 139/1, Perundurai Road, Erode 638011. **Goa**, F 30, Alfran Plaza, Opp Don Bosco, MG Road Panjim, Goa - 403001. **Gorakhpur**, Shop No. 20, 2nd Floor, Cross Road The Mall, Bank Road, Gorakhpur - 273 001. **Gurugram**, Unit No 11, Vipul Agora, Agora, Mehrauli - Gurugram Road, Gurugram - 122002. **Guwahati**, 4th Floor, Ganpati Enclave Above Datamation, Bora Service. G.S Road, Guwahati 781007 **Gwalior**, II Floor, 44 City Centre, Narayan Krishna, Madhav Rao Scindia Road, Gwalior -474002. **Hubli**, Shop No. UGF 4/5, Eureka Junction, T.B.Road Hubli, Karnataka – 580029. **Hyderabad**, 6-3-1085 / D /103, Dega Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082. **Indore**, 205 Starlit Tower 29/1 Y N Road, Indore-452001. **Jabalpur**, Second Floor, Digamber Tower, 936, Wright Town, Pandit Bhawani Prasad Ward, Napier Town, Jabalpur-482002. **Jaipur**, No. 202, Second Floor, OK Plus Towers, Church Road, C-Scheme, Jaipur – 302001. **Jalandhar**, Shop No - 11 B, 3rd Floor, City Square Mall, Civil Lines, Jalandhar 144 001. **JALGAON** , Second Floor, India Plaza Complex, Vivekanand Nagar, Swatantry Chowk, Jilha Peth, Jalgaon - 425 001. **Jamnagar**, 404, Corporate House, Opp. To St. Ann'S High School, Pandit Nehru Marg, Jamnagar -361008. **Jamshedpur**, Shop No - 4, 3rd Floor, Meghdeep Building, Beside Hotel South Park, Q Road, Bistupur, Jamshedpur – 831004. **Jodhpur**, 116, 1st Floor, Mody Arcade, Chopasani Road, Near Bombay Motor Cycle, Jodhpur - 342001. **Kanpur**, 14/113 Kan Chambers, 2nd Floor, 114/113 Civil Lines Kanpur 208001. **Kolhapur**, Office No:12,

2nd Floor, R.D.Vichare Complex (Gemstone) Near Central Bus Stand, New Shahupuri Kolhapur 416001. **Kolkatta**, P-38 Princep Street, Ground Floor, Off Bentinck Street, (Opp Orient Cinema), Kolkatta-700072. **Kolkatta**, No. 7, Camac Street, Azimganj House III Floor, Block No. 6, Kolkatta - 700017. **Kota**, Second Floor, (Above Reebok Showroom), 393, Shopping Centre, NR.Ghode Wale Baba Circle, Kota, Rajasthan - 324007. **Kottayam**, CSI ascension Square, Logos Junction, Collectorate .P.O, Kottayam-686002. **Lucknow**, 104, UGF Sky Hi Chambers, 5- Park Road, Lucknow-226001. **Ludhiana**, SCO 18, Cabin No.401, 4th Floor, Feroz Gandhi Market, Ludhiana - 141001. **Madurai**, No. 183 C - North Veli Street, Opp Duke Hotel, Madurai - 625001. **Mangalore**, B-2, Souza Arcade, Balmatta Road, Mangalore 575001. **Moradabad**, Junaid Malik C/O Tejveer Sing, House No C-52 Jagir Colony C Block , Moradabad Uttarpradeh 244001. **Mumbai (Andheri East)**, Satellite Gazebo, Office No. 101 & 102, B - Wing, 1st Floor, B D Sawant Marg, Mota Nagar, Andheri East, Mumbai – 400093. **Mumbai (Port)**, 5th Floor, City Ice Building, Plot No.298, Perin Nariman Street, Mumbai - 400001. **Mumbai (Thane West)**, Shop No 3, Ramrao Sahani Sadan, Kaka Sohoni Road, Behind P.N.Gadgil Jewellers, Off Ram Maruti Road, Thane West-400601. **Muzaffarpur** , Saroj Complex, Diwan Road, Muzaffarpur - 842002. **Mysore**, 145, 2nd Floor, 5th main , 5th cross, Opposite to Syndicate Bank, Saraswathipuram, Mysore -570009, Karnataka, Phone: 97310-11115. **Nagpur**, C/O.Fortune Business Centre, Plot No.6, Vasant Vihar Complex, WHC Road, Shankar Nagar, Nagpur - 440010. **Nashik**, Shop No. 1, Shrinath Apartment, Pandit Colony- Lane No. 3, Sharanpur Road, Nashik- 422 002. Panipat, No 75 BMK market, Sundaram finance near Hive Hotel GT above Airtel office|Panipat-132103. **Patna**, 305 & 306 Ashiana Harniwas, New Dak Bungalow Road, Patna - 800001. **Pondicherry**, No. 181, Thiruvalluvar Salai, Pillaithottam, Opp to Bahavan Saw Mill, Pondicherry – 605013. **Pune**, CTS No. 930 / Final, Plot No.314, 1st Floor, Office No. 1, Aditya Centeeegra Apts, Condominium, F.C. Road, Shivaji Nagar, Pune – 411005. **Raipur**, Office no. S-8 , 2nd floor, Raheja Towers, Near Fafadih Square, Jail Road, Near Fafadih Square, Jail Road, Raipur, PIN 492001. **Rajkot**, 301, Metro Plaza, Nr Eagle Travels, Jansata Press Road, Bhilwas Chowk, Rajkot - 360001. **Ranchi**, #205, 2nd Floor, M.R. Tower, Line Tank Road, Ranchi-834001. **Salem**, No. 20, 1st Floor, Ramakrishna Road, Near Federal Bank, Salem – 636007. **Sangli**, S1 - S2, Second Floor, Shiv Ratna Complex, CST No 1047B, Shiv Ratan Complex, College Corner North Shivaji Nagar, Madhav Nagar, Sangli - 416416. **Siliguri**, C/O Home Land, 4th Floor, Opp. Sona Wheels Showroom, 2.5 Mile, Sevoke Road, P.S-Bhakti Nagar, Siliguri - Dist - Jalpaiguri-734008, West Bengal. **Surat**, HG-18 International Trade Centre, Majuragate, Surat - 395002. **Thirunelveli**, First Floor, No 985/1-C2, 1D, Indira Complex, South Bye Pass Road, Opp To Passport Office, Tirunelveli 627005. **Thrissur**, 2nd Floor, Sri Lakshmi Building, Shornool Road, Near, Thiruvampady Temple, Thrissur - 680022. **Trichy**, 60/2, Krishna Complex, I St Floor, Shastri Road, Thennur, Trichy - 620017. **Trivandrum**, 1st Floor, Bava Sahib Commercial Complex, Ambujavilasam Road, Old GPO, Thiruvananthapuram-695001. **Udaipur**, C/O Sundaram Finance Ltd , 04th Floor , Plot No-32/1105 Centre Point Building , Opposite- B.N College, Udaipur, Rajasthan-313001. **Vapi**, Shop No - 19 & 20, First Floor, Walden Plaza, Imran Nagar (opp to SBI), Daman - Silvassa Road, Vapi - 396191. **Varanasi**, Shop No-60, 1st Floor, Kuber Mall , Rathyatra, Varanasi - 221010. **Vellore**, C/O Sundaram Finance Limited. First floor, 141/3, M P Sarathi Nagar, Vellore District Bus Owners Association Building, Chennai - Bangalore Bye Pass Road, Vellore - 632012. **Vijayawada**, Rajagopala Chari Street, Mahalakshmi Towers, Ist Foor, Shop No 4. Buckinghampet Post Office Road, Vijayawada - 520 002. **AP Visakhapatnam**, Shop No.2, 3 Rd Floor, Navaratna Jewel Square, Dwarakanagar, Beside Jyothi Book Depot, Visakhapatnam-530016.

**Dubai - Representative Office**, Unit No. 714, Level 7, Burjuman Business Tower, Bur Dubai, Dubai UAE



## Customer Care Centres of KFin Technologies Private Limited

**Ambala** 6349, 2nd Floor, Nicholson Road, Adjacent Kos Hospital Ambala Cant, Ambala 133001. **Agartala** OLS RMS Chowmuhani, Mantri Bari Road 1st Floor Near Traffic Point, Tripura West, Agartala 799001. **Agra** 1st Floor, Deepak Wasan Plaza Behind Holiday Inn, Sanjay Place, Agra 282002. **Ahmedabad** Office No. 401, on 4th Floor, ABC-I, Off. C.G. Road, -, Ahmedabad 380009. **Ajmer** 302 3rd Floor, Ajmer Auto Building, Opposite City Power House, Jaipur Road; Ajmer 305001. **Akola** Yamuna Tarang Complex Shop No 30, Ground Floor N.H. No- 06 Murtizapur Road, Opp Radhakrishna Talkies, Akola 444004. **Alwar** 101 Saurabh Tower, Opp. Uti Near Bhagat Singh Circle, Road No.2, Alwar 301001. **Aligarh** Sebti Complex Centre Point, Sebti Complex Centre Point, -, Aligarh 202001. **Allahabad** Rsa Towers 2Nd Floor, Above Sony Tv Showroom, 57 S P Marg Civil Lines, Allahabad 211001. **Amaravathi** Shop No. 21 2nd Floor, Gulshan Tower, Near Panchsheel Talkies Jaistambh Square, Amaravathi 444601. **Amritsar** SCO5, 2nd Floor, District Shopping Complex, Ranjit Avenue, Amritsar 143001. **Anand** B-42 Vaibhav Commercial Center, Nr Tvs Down Town Show Room, Grid Char Rasta, Anand 380001. **Ananthapur** Plot No: 12-313, Balaji Towers, Suryanagar, Ananthapur Village, Anantapur 515001. **Asansol** 112/N.G. T. Road Bhanga Pachil, G.T Road Asansol Pin: 713 303; -, Paschim Bardhaman West Bengal, Asansol 713303. **Aurangabad** Ramkunji Niwas, Railway Station Road, Near Osmanpura Circle, Aurangabad 431005. **Alleppy** 1st Floor Jp Towers, Mullackal, Ksrtc Bus Stand, Alleppy 688011. **Azamgarh** House No. 290, Ground Floor, Civil lines, Near Sahara Office, -, Azamgarh 276001. **Baroda** 203 Corner point, Jetalpur Road, Baroda Gujarat, Baroda 390007. **Bareilly** 1st Floorrear Sidea -Square Building, 54-Civil Lines, Ayub Khan Chauraha, Bareilly 243001. **Bharuch** Shop No 147-148, Aditya Complex, Near Kasak Circle, Bharuch 392001. **Mumbai** 24/B Raja Bahadur Compound, Ambalal Doshi Marg, Behind Bse Bldg, Fort 400001. **Berhampur** (OR) Opp Divya Nandan Kalyan Mandap, 3rd Lane Dharam Nagar, Near Lohiya Motor, Berhampur (Or) 760001. **Belgaum** Cts No 3939/ A2 A1, Above Raymonds Show Room |Beside Harsha Appliances, Club Road, Belgaum 590001. **Bhilwara** Office No. 14 B, Prem Bhawan, Pur Road, Gandhi Nagar, Near Canara Bank, Bhilwara 311001. **Bhubaneswar** A/181 Back Side Of Shivam Honda Show Room, Saheed Nagar, -, Bhubaneswar 751007. **Bhagalpur** 2Nd Floor, Chandralok Complex Ghantaghar, Radha Rani Sinha Road, Bhagalpur 812001. **Bilaspur** Shop No -225226 & 2272nd Floor, Narayan Plaza Link Road, -, Bilaspur 495001. **Bhilai** Office No.2, 1st Floor, Plot No. 9/6, Nehru Nagar [East], Bhilai 490020. **Bikaner** 70-71 2Nd Floor | Dr.Chahar Building, Panchsati Circle, Sadul Ganj, Bikaner 334003. **Bokaro** B-1 1st Floor City Centre, Sector- 4, Near Sona Chandi Jewellers, Bokaro 827004. **Balasore** 1-B. 1st Floor, Kalinga Hotel Lane, Baleshwar, Baleshwar Sadar, Balasore 756001. **Bangalore** No 35, Puttanna Road, Basavanagudi, Bangalore 560004. **Bhopal** Kay Kay Business Centre, 133 Zone I Mp Nagar, Above City Bank, Bhopal 462011. **Bankura** Plot nos- 80/1/Anatunchati Mahalla 3rd floor, Ward no-24 Opposite P.C Chandra, Bankura town, Bankura 722101. **Begusarai** C/o Dr Hazari Prasad Sahu, Ward No 13, Behind Alka Cinema, Begusarai (Bihar), Begusarai 851117. **Bhatinda** #2047-A 2Nd Floor, The Mall Road, Above Max New York Life Insurance, Bhatinda 151001. **Burdwan** Anima Bhavan 1st Floor Holding No.-42, Sreepally G. T. Road, West Bengal, Burdwan 713103. **Bhavnagar** 303 Sterling Point, Waghawadi Road, -, Bhavnagar 364001. **Bellary** Shree Gayathri Towers, #4 1st Floor K.H.B.Colony, Gopalaswamy Mudaliar Road, Gandhi Nagar-Bellary 583103. **Kolkata** Apeejay House (Beside Park Hotel), C Block3rd Floor, 15 Park Street, Kolkata 700016. **Dalhousie** 2Nd Floor Room no-226, R N Mukherjee Road, -, Kolkata, 700 001. **Coimbatore** 3rd Floor Jaya Enclave, 1057 Avinashi Road, -, Coimbatore 641018. **Chandigarh** First floor, SCO 2469-70, Sec. 22-C, -, Chandigarh 160022. **Cuttack** Shop No-45, 2nd Floor, Netaji Subas Bose Arcade, (Big Bazar Building) Adjacent To Reliance Trends, Dargha Bazar, Cuttack 753001. **Calicut** Second Floor, Manimuriyil Centre, Bank Road, Kasaba Village, Calicut 673001. **Cochin** Ali Arcade 1st Floor Kizhavana Road, Panampilly Nagar, Near Atlantis Junction, Ernakulam 682036. **Chinsurah** No : 96, PO: Chinsurah, Doctors Lane, Chinsurah 712101. **Dhanbad** 208 New Market 2Nd Floor, Bank More, -, Dhanbad 826001. **Darbhanga** Jaya Complex 2Nd Floor, Above Furniture Planet Donar, Chowk, Darbhanga 846003. **Dindigul** NO 59B New Pensioner street, Palani Road, Opp Gomathi Lodge, Dindigul 624001. **Dhule** Ground Floor Ideal Laundry Lane No 4, Khol Galli Near Muthoot Finance, Opp Bhavasar General Store, Dhule 424001. **Dharwad** Adinath Complex, Beside Kamal Automobiles, Bhoovi Galli, Opp Old Laxmi Talkies, P B Road, Dharwad 580001. **Dehradun** Kaulagarh Road, Near Sirmaur Marg above, Reliance Webworld, Dehradun 248001. **New Delhi** 305 New Delhi House, 27 Barakhamba Road, -, New Delhi 110001. **Deoria** K. K. Plaza, Above Apurva Sweets, Civil Lines Road, Deoria 274001. **Durgapur** Mwav-16 Bengal Ambuja, 2nd Floor City Centre, Distt. Burdwan Durgapur-16, Durgapur 713216. **Davangere** D.No 162/6, 1st Floor, 3rd Main, P J Extension, Davangere taluk, Davangere Manda, Davangere 577002. **Eluru** DNO-23A-7-72/73K K S Plaza Munukutla Vari Street, Opp Andhra Hospitals, R R Peta, Eluru 534002. **Erode** No: 4 Veerappan Traders Complex, KMY Salai Sathy Road, Opp. Erode Bus Stand, Erode 638003. **Faridabad** A-2B 3rd Floor, Neelam Bata Road Peer ki Mazar, Nehru Groundnit, Faridabad 121001. **Ferozpur** The Mall Road Chawla Bulding 1st Floor, Opp. Centrail Jail, Near Hanuman Mandir, Ferozepur 152002. **Gandhinagar** 123 First Floor, Megh Malhar Complex, Opp. Vijay Petrol Pump Sector - 11, Gandhinagar 382011. **Gurgaon** No: 212A, 2nd Floor, Vipul Agora, M. G. Road, -, Gurgaon 122001. **Gulbarga** H NO 2-231, Krishna Complex 2nd Floor Opp., Opp. Municipal corporation Office, Jagat, Station Main Road, Kalaburagi, Gulbarga 585105. **Gandhidham** Shop # 12 Shree Ambica Arcade Plot # 300, Ward 12. Opp. CG High School, Near HDFC Bank, Gandhidham 370201. **Gwalior** 2nd Floor Rajeev Plaza, Jayendra Ganj Lashkar, -, Gwalior 474009. **Gonda** H No 782, Shiv Sadan, ITI Road, Near Raghuikul Vidyapeeth, Civil lines, Gonda 271001. **Panjim** H. No: T-9, T-10, Affran plaza, 3rd Floor, Near Don Bosco High School, Panjim Goa 403001. **Ghazipur** House No. 148/19, Mahua Bagh, -, Ghazipur 233001. **Gorakhpur** Above V.I.P. House adjacent, A.D. Girls College, Bank Road, Gorakhpur 273001. **Guntur** 2nd Shatter, 1st Floor, Hno. 6-14-48, 14/2 Lane,, Arundal Pet, Guntur 522002. **Guwahati** 1st Floor Bajrangbali Building, Near Bora Service Station GS Road, -, Guwahati 781007. **Gaya** Property No. 711045129, Ground Floor Hotel Skylark, Swaraipuri Road, -, Gaya 823001. **Ghaziabad** FF - 31, Konark Building, Rajnagar, -, Ghaziabad 201001. **Haridwar** Shop No. -17, Bhatia Complex, Near Jamuna Palace, Haridwar 249410. **Haldwani** Shoop No 5, KVMN Shopping Complex, -, Haldwani 263139. **Hissar** Shop No. 20, Ground Floor, R D City Centre, Railway Road, Hissar 125001. **Hoshiarpur** The Mall Complex, Unit # SF-6, 2nd Floor, Opposite Kapila Hospital, Sutheri Road, Hoshiarpur 146001. **Hassan** Hemadri Arcade, 2nd Main Road, Salgame Road, Near Brahmins Boys Hostel, Hassan 573201. **Hubli** CTC No.483/A1/A2, Ground Floor Shri Ram Palza, Behind Kotak Mahindra Bank Club Road, Hubli 580029. **Hyderabad** No:303, Vamsee Estates, Opp: Bigbazaar, Ameerpet, Hyderabad 500016. **Hyderabad(Gachibowli)** KFinTech Pvt.Ltd, Selenium Plot No: 31 & 32, Tower B Survey No.115/22 115/24 115/25, Financial District Gachibowli Nanakramguda Serilingampally Mandal, Hyderabad, 500032. **Indore** 19/1 New Palasia Balaji Corporate 203-204-205, Above ICICI bank 19/1 New Palasia, Near Curewell Hospital Janjeerwala Square Indore, Indore 452001. **Jaipur** S16/A 11rd Floor, Land Mark Building Opp Jai Club, Mahaver Marg C Scheme, Jaipur 302001. **Jabalpur** 3Rd floor, R.R. Tower.5 Lajpatkunj, near Tayabali petrol pump, Jabalpur 482001. **Junagadh** 124-125 Punit Shopping Center, M.G Road, Ranavav Chowk, Junagadh 362001. **Jalgaon** 269 Jaaee Vishwa 1 St Floor, Baliram Peth Above United Bank Of India, Near Kishor Agencies., Jalgaon. 425001. **Jhansi** 1st Floor, Puja Tower, Near 48 Chambers, ELITE Crossing, Jhansi 284001. **Jammu** Gupta's Tower, 2nd Floor CB-12, Rail Head complex, Jammu 180012. **Jalandhar** 1st Floor Shanti Towers, SCO No. 37 PUDA Complex, Opposite Tehsil Complex, Jalandhar 144001. **Jamshedpur** 2nd Floor R R Square, Sb Shop Areanear Reliance Foot Print & Hotel- Bs Park Plaza, Main Road Bistupur, Jamshedpur 831001. **Jamnagar** 131 Madhav Plaza, Opp Sbi Bank, Nr Lal Bungalow, Jamnagar 361008. **Jodhpur** Shop No. 6, Ground Floor, Gang Tower, Opposite Arora Moter Service Centre, Near Bombay Moter Circle, Jodhpur 342003. **Jalpaiguri** D B C Road Opp Nirala Hotel, Opp Nirala Hotel, Opp Nirala Hotel, Jalpaiguri 735101. **Jaunpur** R N Complex 1-1-9-G, R. N. Complex, Opposite Pathak Honda, Above Oriental Bank of Commerce, Jaunpur 222002. **Karimnagar** 2nd ShutterHNo. 7-2-607 Sri Matha, Complex Mankammathota, -, Karimnagar 505001. **Karnal** 18/369 Char Chaman, Kunjpora Road, Behind Miglani Hospital, Karnal 132001. **Karur** No 108, Arulsivam Complex, Thiru Vi Ka Road, Karur 639001. **Vile Parle** Shop No.1 Ground Floor, Dipti Jyothi Co-operative Housing Society, Near MTNL office P M Road, Vile Parle East, 400057. **Thane** Room No. 201, 202 2nd Floor, Matruchhaya Building, Opp Bedekar Hospital, Thane West, Mumbai - 400 602.. **Vashi** No: 302, 3rd, Ganga Prasad, Ram Maruti Cross Road, Naupada Thane west of Thane, Vashi Mumbai, 400073. **Borivali** Gomati Smuti Ground Floor, Jambli Gully, Near Railway Station, Borivali Mumbai, 400 092. **Kolhapur** 605/1/4 E Ward Shahupuri 2Nd Lane, Laxmi Niwas, Near Sultane Chambers, Kolhapur 416001. **Kollam** Ground Floor Narayanan Shopping Complex, Kausthubhree Block, Kadapakada, Kollam 691008. **Kanpur** 15/46 B Ground Floor, Opp : Muir Mills, Civil Lines, Kanpur 208001. **Korba** Nidhi Biz Complex, Plot No 5, Near Patidar Bhawan, T. P. Nagar, **Korba** 495677. **Kota** D-8, Shri Ram Complex,



Opposite Multi Purpose School, Gumanpur, Kota 324007. **Kharagpur** Holding No 254/220, SBI BUILDING, Malancha Road, Ward No.16, PO: Kharagpur, PS: Kharagpur, Dist: Paschim Medinipur, Kharagpur 721304. **Kurnool** No.43 1st Floor S V Complex, Railway Station Road, Near SBI Main Branch, Kurnool - 518004. **Kannur** 2 Nd Floor Prabhath Complex, Fort Road, Nr.Icici Bank, Kannur 670001. **Kottayam** 1St Floor Csiascension Square, Railway Station Road, Collectorate P O, Kottayam 686002. **Lucknow** 1st Floor, A. A. Complex, 5 Park Road Hazratganj Thaper House, Lucknow 226001. Ludhiana SCO 122, Second floor, Above Hdfc Mutual fun, , Feroze Gandhi Market, Ludhiana 141001. **Mathura** Shop No. 9, Ground Floor, Vihari Lal Plaza, Opposite Brijwasi Centrum, Near New Bus Stand, Mathura 281001. **Chennai** F-11 Akshaya Plaza 1st Floor, 108 Adhithanar Salai, Egmore Opp To Chief Metropolitan Court, Chennai 600002. **T Nagar** No 23 | Cathedral Garden Road, Cathedral Garden Road, Nungambakkam, Chennai, 600 034. **Mandi** House No. 99/11, 3rd Floor, Opposite GSS Boy School, School Bazar, Mandi 175001. **Meerut** H No 5, Purva Eran, Opp Syndicate Bank, Hapur Road, Meerut 250002. **Mehsana** FF-21 Someshwar Shopping Mall, , Modhera Char Rasta, -, Mehshana 384002. **Mirzapur** Ground Floor, Triveni Campus, Ratan Ganj, -, Mirzapur 231001. **Malda** Sahis Tuli Under Ward No.6, No.1 Govt Colony, English Bazar Municipality, Malda 732101. **Mangalore** Mahendra Arcade Opp Court Road, Karangal Padi, -, Mangalore 575003. **Moga** 1St FloorDutt Road, Mandir Wali Gali, Civil Lines Barat Ghar , Moga 142001. **Morena** House No. HIG 959, Near Court, Front of Dr. Lal Lab, Old Housing Board Colony, Morena 476001. **Moradabad** Om Arcade, Parker Road, Above Syndicate BankChowk Tari Khana, Moradabad 244001. **Malappuram** First Floor Peekays Arcade, Down Hill, , Malappuram 676505. **Margao** 2Nd Floor , Dalal Commercial Complex, Pajifond, Margao 403601. **Madurai** Rakesh towers 30-C 1st floor, Bye pass Road, Opp Nagappa motors, Madurai 625010. **Mysore** L-350Silver Tower, Ashoka Road, Opp.Clock Tower , Mysore 570001. Muzaffarpur First Floor Saroj Complex , Diwam Road, Near Kalyani Chowk, Muzaffarpur 842001. Nashik S-9 Second Floor, Suyojit Sankul, Sharanpur Road, Nasik 422002. **Nadiad** 311-3rd Floor City Center , Near Paras Circle, -, Nadiad 387001. **Nagpur** Plot No 2/1 House No 102/1, Mata Mandir Road, Mangaldeep Appartment Opp Khandelwal Jewelers Dharampeth, Nagpur 440010. **Nagercoil** HNO 45 , 1st Floor, East Car Street , Nagercoil 629001. **Nanded** Shop No.4 , Santakripa Market G G Road, Opp.Bank Of India, Nanded 431601. **Noida** 4054th FloorVishal Chamber, Plot No.1Sector-18, , Noida 201301. **Nellore** D No:16-5-66 Ramarao Complex, No:2 Shop No:305, 3rd Floor , Nagula Mitta Rodad, Opp Bank of baroda, Nellore 524001. Navsari 103 1st Floor Landmark Mall, Near Sayaji Library , Navsari Gujarat, Navsari 396445. Patna 3A 3Rd Floor Anand Tower, Exhibition Road, Opp Icici Bank, Patna 800001. **Pollachi** 146/4Ramanathan Building , 1st Floor New Scheme Road , -, Pollachi 642002. **Pondicherry** Building No:7 1st Floor, Thiagarajar Street , -, Pondicherry 605001. **Palghat** No: 20 & 21 , Metro Complex H.P.O.Road Palakkad, H.P.O.Road, Palakkad 678001. **Pathankot** 2nd Floor Sahni Arcade Complex, Adj.Indra colony Gate Railway Road, Pathankot, Pathankot 145001. **Panipat** Preet Tower, 3rd Floor, Behind Akash Institute, Near NK Tower, G.T. Road, Panipat 132103. **Patiala** B- 17/423, Opp Modi College, Lower Mall, Patiala 147001. **Pune** Office # 207-210, second floor, Kamla Arcade, JM Road. Opposite Balgandharva, Shivaji Nagar, Pune 411005. **Ratlam** 1 Nagpal Bhawan Free Ganj Road , Do Batti , Near Nokia Care , Ratlam 457001. **Raipur** office no s-13 second floor reheja tower, fafadih chowk, jail road, Raipur 492001. **Rajahmundry** D.No.6-1-4Rangachary Street, T.Nagar, Near Axis Bank Street, Rajahmundry 533101. **Rajkot** 302 Metro Plaza , Near Moti Tanki Chowk, Rajkot, Rajkot Gujarat 360001. **Rourkela** 1st Floor, Sandhu Complex, Kachery Road Uditnagar, Rourekla - 769012. **Ranchi** Room No 307 3Rd Floor , Commerce Tower , Beside Mahabir Tower , Ranchi 834001. **Roorkee** Shree Ashadeep Complex 16, Civil Lines, Near Income Tax Office, Roorkee 247667. **Rohtak** Shop No 14, Ground Floor, Rewa – 486 001, Madhya Pradesh, Delhi Road , Rohtak 124001. **Renukoot** C/o Mallick Medical Store, Bangali Katra Main Road, Dist. Sonebhadra (U.P.), Renukoot 231217. **Rewa** Shop No. 2, Shree Sai Anmol Complex, Ground Floor, Opp Teerth Memorial Hospital, Rewa 486001. **Salem** NO 3/250 , Brindavan Road, 6th CrossPerumal kovil back side Fairland's, Salem 636016. **Sagar** II floor Above shiva kanch mandir., 5 civil lines, Sagar, Sagar 470002. **Sambalpur** First Floor; Shop No. 219, Sahej Plaza, Golebazar; Sambalpur, Sambalpur 768001. **Sri Ganganagar** Address Shop No. 5, Opposite Bihani Petrol Pump, NH - 15, near Baba Ramdev Mandir, Sri Ganganagar 335001. **Shillong** Annex Mani Bhawan , Lower Thana Road , Near R K M Lp School , Shillong 793001. Shimla 1st Floor, Hills View Complex, Near Tara Hall, Shimla 171001. **Sikar** First FloorSuper Tower , Behind Ram Mandir Near Taparya Bagichi , -, Sikar 332001. **Siliguri** Nanak Complex, 2nd Floor, Sevoke Road, -, Siliguri 734001. **Silchar** N.N. Dutta Road, Chowchakra Complex, Premtala, Silchar 788001. **Solapur** Block No 06, Vaman Nagar Opp D-Mart, Jule Solapur, Solapur 413004. **Shimoga** Sri Matra Naika Complex, 1St Floor Above Shimoga Diagnostic Centre, Llr Road Durgigudi, Shimoga 577201. **Sonepat** 2nd floor, DP Tower, Model Town, Near Subhash Chowk, Sonepat 131001. **Solan** Disha Complex, 1St Floor, Above Axis Bank, Rajgarh Road, Solan 173212. **Sitapur** 12/12 Surya Complex, Station Road , Uttar Pradesh, Sitapur 261001. Srikakulam D No 4-4-97 First Floor Behind Sri Vijayanagapathi Temple, Pedda relli veechi , Palakonda Road , Srikakulam 532001. **Saharanpur** 18 Mission Market, Court Road, -, Saharanpur 247001. **Satna** 1St Floor Gopal Complex, Near Bus Stand, Rewa Road, Satna 485001. **Surat** Office no: -516 5th Floor Empire State building , Near Udhna Darwaja, Ring Road, Surat 395002. **Sultanpur** 1st Floor, Ramashanker Market, Civil Line, -, Sultanpur 228001. **Shivpuri** A. B. Road, In Front of Sawarkar Park, Near Hotel Vanasthali, Shivpuri 473551. **Tuticorin** 4 - B A34 - A37, Mangalmal Mani Nagar, Opp. Rajaji Park Palayamkottai Road, Tuticorin 628003. **Trivandrum** Marvel Tower, 1st Floor, URA-42 (Uppalam Road Residence Association), Statue, Trivandrum-695001. **Tiruvalla** 2Nd FloorErinjery Complex, Ramanchira, Opp Axis Bank, Thiruvalla 689107. **Thanjavur** No. 70 Nalliah Complex, Srinivasam Pillai Road, -, Tanjore 613001. **Tirupathi** H.No:10-13-425, 1st Floor Tilak Road , Opp: Sridevi Complex, Tirupathi 517501. **Trichy** No 23C/1 E V R road, Near Vekkaliannan Kalyana Mandapam, Putthur, -, Trichy 620017. **Tirupur** No 669A, Kamaraj Road, Near old collector office, , Tirupur 641604. **Trichur** 2Nd FloorBrothers Complex, Naikkanal JunctionShornur Road, Near Dhanalakshmi Bank H O, Thrissur 680001. **Tirunelveli** 55/18 Jeney Building, S N Road, Near Aravind Eye Hospital, Tirunelveli 627001. Udaipur Shop No. 202, 2nd Floor business centre, 1C Madhuvan, Opp G P O Chetak Circle , Udaipur 313001. **Ujjain** 101 Aashta Tower, 13/1 Dhanwantri Marg, Freeganj, Ujjain 456010. **Varanasi** D-64/132, 2nd Floor , KA, Mauza, Shivpurwa, Settlement Plot No 478 Pargana, Dehat Amanat, Mohalla Sagra, Varanashi 221010. **Valsad** 406 Dreamland Arcade, Opp Jade Blue, Tithal Road, Valsad 396001. **Vijayanagaram** D No : 20-20-29, 1st Floor, Surya Nagar, Kalavapuvvu Meda, Near Ayodhya Stadium, Dharmapuri Road, Vizianagaram 535002. **Vijayawada** HNo26-23, 1st Floor, Sundarammastreet, GandhiNagar, Krishna, Vijayawada 520010. **Vellore** 1st floor, Vellore City Centre, Anna salai, Vellore 632001. **Vapi** A-8 First Floor Solitaire Business Centre, Opp DCB Bank GIDC Char Rasta, Silvassa Road, Vapi 396191. **Visakhapatnam** Door No: 48-8-7, Dwaraka Diamond Ground Floor, Srinagar, Visakhapatnam 530016. **Warangal** Shop No22 , , Ground Floor Warangal City Center, 15-1-237, Mulugu Road Junction, Warangal 506002. **Yamuna nagar** B-V, 185/A, 2nd Floor, Jagadri Road, , Near DAV Girls College, (UCO Bank Building) Pyara Chowk, Yamuna Nagar 135001.

### Collection Centres of KFin Technologies Pvt. Ltd.

**Andheri:** 6 & 7, 131 Andheri Industrial Estate-Veera Desai Road, Andheri (west), Mumbai 400 053. **Chembur:** Shop No 4, Ground Floor, Shram Saflya Building, N G Acharya Marg, Chembur, Mumbai 400 071. **Vashi,** A Wing, Shop No. 205, 1st Floor, Vashi Plaza, Sector 17, Near Apna Bazar, Vashi, Mumbai 400073. **Vile Parle:** 104, Sangam Arcade, V P Road, Opp: Railway Station , Above Axis Bank ATM, Vile Parle (west), Mumbai 400 056. **Borivali** Gomati Smuti, Ground Floor, Jambli Gully, Near Railway Station, Borivali, Mumbai 400 092. **Thane:** Flat No. 201, 2nd Floor, "Matru Chhaya" Bulding, Above Rejewel Jewellery Showroom, Opp. Bedekar Hospital, Near Gaodevi Ground, Mumbai 400 602. **Dalhousie** 2Nd Floor, Room no-226, R N Mukherjee Road, Kolkata 700 001. **T Nagar:** G1, Ground Floor, No 22, Vijayaraghava Road, Swathi Court, T Nagar, Chennai, 600 017. **Hyderabad:** (Gachibowli), KARVY Selenium, Plot No: 31 & 32, Tower B, Survey No.115/22, 115/24, 115/25, Financial District, Gachibowli, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.