

them therein under the SEBI Act or the MF Regulations.

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.

B. Risk factors

Standard 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
- 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.
- 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.
- 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.

- FATCA imposes tax withholding upto 30% on any payments (including redemption and Income distribution is suffice 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.
- The Scheme at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments
- As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme. In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances
- At times, due to the forces and factors affecting the capital market, the Scheme may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Scheme. The Scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements

- This is only an illustrative list and not an exhaustive list of risk factors that could affect the NAV, performance and liquidity of the Scheme

Scheme Specific Risk Factors:**Risk associated with Fund of Fund schemes:**

- The Scheme's performance will depend upon the performance of the Underlying schemes.
- Any change in the investment policy or the fundamental attributes of the Underlying Fund in which the Scheme invests may affect the performance of the Scheme.
- The portfolio disclosure of the Scheme will be largely limited to the particulars of the relevant Underlying Fund and investments by the Scheme in debt and money market instruments.
- The scheme specific risk factors of the underlying scheme become applicable where a fund of funds invest. Investors who intend to invest in Fund of Funds are required to and are deemed to have read and understood the risk factors of the underlying scheme in which Fund of Funds scheme invest in. Details of the underlying funds would be available in their respective website
- Dependence on the Investment Managers of the underlying scheme: The success of the underlying scheme depends on the ability of the respective Investment Managers to develop and implement investment strategies that achieve their investment objective. Moreover, subjective decisions made by the Investment Manager may cause an underlying scheme to incur losses or to miss profit opportunities.
- As the investors are incurring expenditure at both the Fund of Funds level and the scheme into which the Fund of Funds invests, the returns that they may obtain may be materially impacted or may at times be lower than the returns that investors may obtain by directly investing in such schemes.
- As the Fund of Funds scheme will invest into an underlying scheme, the expense charged being dependent on the structure of the underlying scheme (being different), it may lead to a non-uniform charging of expenses over a period of time
- The fund of fund scheme may have different returns/performance than the underlying scheme due to various reasons. The return of the Fund of Funds may be adversely impacted by total expense ratio, cash drag, timing and pricing difference between the subscription/redemption in the Fund of Funds v/s underlying scheme, operational and transactional reasons etc.
- The subscription and redemption in the Fund of Fund scheme is also dependent on the liquidity of the underlying scheme. The illiquidity of the same may affect the performance of the Fund of Fund scheme.
- Investments in underlying schemes carry risks such as performance of securities, derivative investments, credit rating changes, trading volumes, settlement periods, price/interest rate risk, volatility, and liquidity issues.
- Risks associated with Arbitrage Schemes: The primary objective of arbitrage schemes is to identify and exploit price discrepancies in various markets. However, price differences may narrow or disappear before the arbitrage opportunity is executed, thus reducing or eliminating potential profits. Security prices are fluctuating and therefore timing discrepancies or delays in executing trades may impact profits. Identification and exploitation of the discrepancies involve uncertainty as the fund managers may not be able to recognize the opportunities or may not be able to take advantage of the same in time. In addition, insufficient liquidity in one or more markets may make it difficult to execute trades at desired prices, impacting the effectiveness of the arbitrage strategy. Errors in trade execution, technology failures, or problems with the trading platform may impact returns. In case the trade is entered with a counterparty rather than an exchange, there is a counterparty risk that the trading partner defaults or fails to honor the trade which may

result in a loss.

- **Redemption and Liquidity:** High redemption requests and market conditions may cause delays in unit redemptions. Portfolio rebalancing may lead to higher transaction costs and exit loads or redemption charges may impact performance.
- A Fund Manager managing any one of the Fund of Funds schemes may also be the Fund Manager for any underlying schemes.
- There exists a possibility that the investment policy and/or fundamental attributes of the underlying scheme change over time. In such circumstances, the fund manager will seek to continue remain invested in such underlying scheme as long as it does not challenge the investment strategy of the Scheme.
- **Right to Limit Redemptions:** The Trustee, in the general interest of the Unit holders of the Scheme offered in this Document and keeping in view the unforeseen circumstances / unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day. The same shall be in accordance with paragraph 1.12 of the Master Circular.

Risk associated with investment in units of mutual funds:

The scheme may make investments in units of mutual funds. Investments in schemes of mutual funds are subject to market risks and there is no assurance or guarantee that the objectives of the scheme will be achieved. Further, any investment in mutual funds is also subject to risk factors outlined in the offer document of the mutual fund and an adverse performance of a mutual fund scheme in which the scheme has made investments could adversely impact the scheme's performance and NAV of the scheme.

Risks associated with Arbitrage Schemes :

The primary objective of arbitrage schemes is to identify and exploit price discrepancies in various markets. However, price differences may narrow or disappear before the arbitrage opportunity is executed, thus reducing or eliminating potential profits. Security prices are fluctuating and therefore timing discrepancies or delays in executing trades may impact profits. Identification and exploitation of the discrepancies involve uncertainty as the fund managers may not be able to recognize the opportunities or may not be able to take advantage of the same in time. In addition, insufficient liquidity in one or more markets may make it difficult to execute trades at desired prices, impacting the effectiveness of the arbitrage strategy.

- Errors in trade execution, technology failures, or problems with the trading platform may impact returns. In case the trade is entered with a counterparty rather than an exchange, there is a counterparty risk that the trading partner defaults or fails to honor the trade which may result in a loss.

Risks associated with Debt/Money Markets Instruments

Interest Rate Risk As with debt/money instruments, changes in interest rate may affect the price of the money market instrument(s) and ultimately Scheme's net asset value. Generally, the prices of instruments increase as interest rates decline and decrease as interest rates rise. Prices of long-term securities fluctuate more in response to such interest rate changes than short-term securities. Indian debt and government securities markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.

Credit Risk Credit risk or Default risk refers to the risk that an issuer of a fixed income security may default (i.e. the issuer will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of fixed income securities will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of

default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

Reinvestment Risk This risk refers to the difference in the interest rate levels at which cash flows received from the securities in the scheme is reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows are reinvested may be lower than that originally assumed. Risks associated with Segregated Portfolio Investors holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer. Security comprises of segregated portfolio may not realize any value. Listing of units of segregated portfolio in recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

Risks associated with investing in Securities Segment and Tri-party Repo trade settlement:

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

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

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

C. Risk Mitigation Strategies:

The Scheme’s portfolio broadly comprises Arbitrage and Debt Schemes of Mutual fund. Thus, the mitigation policies applicable to those Arbitrage and Debt Mutual Fund Schemes will be applicable to this Scheme.

Risk mitigation measures for portfolio volatility: The fund invests in multiple schemes thereby ensuring greater diversification at the stock, sector and investment style level.

Risk mitigation measures for managing liquidity: Reasonable investments are made in money market instruments and / or money market mutual fund schemes for liquidity purposes.

Security Type	Risks & measures to Mitigate risks
Debt and Money Market instruments	Credit Risk: Management analysis will be used for identifying company specific risks. Management’s past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer’s

	financial statements will be undertaken. Price-Risk or Interest-Rate Risk: The Scheme may primarily invest the debt portion of the portfolio in short term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities. Risk of Rating Migration: The Scheme may primarily invest the debt portion of the portfolio in short-term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of rating migration generally associated with long-term securities Basis Risk: The debt allocation of scheme is primarily as a cash management strategy and such strategy returns are expected to reflect the very short-term interest rate hence investment is done in short term debt and money market instruments. Spread Risk: The Scheme may primarily invest the debt portion of the portfolio in short-term debt & money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of spread expansion which is generally associated with long-term securities Reinvestment Risk: The debt allocation of scheme is primarily as a cash management strategy and such strategy returns are expected to reflect the very short term interest rate hence investment is done in short term debt and money market instruments. Reinvestment risks will be limited to the extent of debt instruments, which will be a very small portion of the overall portfolio value. Liquidity Risk: The Scheme may, however, endeavor to minimize liquidity risk by primarily investing the debt portion of the portfolio in relatively liquid short term debt & money market instruments, units of Liquid and Overnight schemes.
Repo Transactions	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 the counterparty is unable to pay back the money to the scheme as contracted on maturity, the scheme may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to the counterparty
Government securities and Triparty repo on Government securities or treasury bills:	As a member of securities segment and Triparty repo segment, maintenance of sufficient margin is a mandatory requirement. CCIL monitors these on a real time basis and requests the participants to provide sufficient margin to enable the trades etc. Also there are stringent conditions / requirements before registering any participants by CCIL in these segments. Since settlement is guaranteed the loss on this account could be minimal though there could be an opportunity loss.
Units of mutual fund schemes	Mutual Fund portfolios are generally well diversified and typically endeavor to provide liquidity on a T+1/T+2 basis and aim to mitigate

	any risks arising out of underlying investments.
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While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

The measures mention above is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors.

Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

The scheme got the approval from the AMC and Trustee to enable the segregation of 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:
 - Downgrade of a debt or money market instrument to 'below investment grade', or
 - Subsequent downgrades, or
 - 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.
 - ii. An e-mail or SMS should be sent to all unit holders of the concerned scheme.
 - iii. 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).

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 outside India. 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.

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