

Statement of Additional Information

SPONSORS

Aditya Birla Capital Limited

(A subsidiary of Grasim Industries Limited)

Indian Rayon Compound, Veraval,

Gujarat - 362 266

Sun Life (India) AMC Investments Inc.

1 York Street, Toronto, Ontario,

Canada M5J 0B6

NAME OF SPECIALIZED INVESTMENT FUND

APEX SIF

One World Center, Tower-1, 17th floor, Jupiter Mills, S.B. Marg,

Elphinstone Road, Mumbai - 400 013 Tel.: +91 22 4356 8000 Fax: +91 22 4356 8111

E-mail: care.apexsif@adityabirlacapital.com

Website: www.apexsif.adityabirlacapital.com

NAME OF MUTUAL FUND

Aditya Birla Sun Life Mutual Fund (“ABSLMF”)

One World Center, Tower-1, 17th floor, Jupiter Mills, S.B. Marg,

Elphinstone Road, Mumbai - 400 013 Tel.: +91 22 4356 8000 Fax: +91 22 4356 8111

E-mail: care.mutualfunds@adityabirlacapital.com

Website: www.mutualfund.adityabirlacapital.com

NAME OF INVESTMENT MANAGER

Aditya Birla Sun Life AMC Limited (“ABSLAMC”)

One World Center, Tower-1, 17th floor, Jupiter Mills, S.B. Marg,

Elphinstone Road, Mumbai - 400 013 Tel.: +91 22 4356 8000 Fax: +91 22 4356 8111

CIN: L65991MH1994PLC080811

NAME OF TRUSTEE COMPANY

Aditya Birla Sun Life Trustee Private Limited (“ABSLTPL”)

One World Center, Tower-1, 17th floor, Jupiter Mills, S.B. Marg,

Elphinstone Road, Mumbai - 400 013 Tel.: +91 22 4356 8000 Fax: +91 22 4356 8111

CIN: U74899MH1994PTC166755

This Statement of Additional Information (SAI) contains details of APEX SIF – offered by Aditya Birla Sun Life Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference and is legally a part of the Investment Strategy Information Document (ISID) of all the Investment Strategies of APEX SIF.

This SAI is dated April 30, 2026.

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I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES**A. Constitution of the Mutual Fund**

Aditya Birla Sun Life Mutual Fund (the “Mutual Fund”) has been constituted as a trust on December 16, 1994, in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Aditya Birla Capital Limited, (subsidiary of Grasim Industries Limited) and Sun Life (India) AMC Investments Inc., as the Sponsors and Aditya Birla Sun Life Trustee Private Limited) as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on December 23, 1994, under Registration Code MF/020/94/8. The objective of the Mutual Fund is to offer to the public and other eligible investors units in one or more schemes in the Mutual Fund for making group or collective investments primarily in Indian Securities in accordance with and as permitted under the directions and guidelines issued from time to time by SEBI. The Corporate Office of the Mutual Fund is at One World Center, Tower 1, 17th Floor, Jupiter Mills, S.B. Marg, Elphinstone Road, Mumbai - 400 013.

B. Constitution of the Specialized Investment Fund

APEX SIF is offered by Aditya Birla Sun Life Mutual Fund in terms of Regulation 49W(1) of SEBI (Mutual Funds) Regulations, 1996 (“SEBI Regulations”) with Aditya Birla Sun Life Trustee Private Limited as the Trustee and Aditya Birla Sun Life AMC Limited as the Asset Management Company (AMC). Aditya Birla Sun Life AMC Limited was granted approval to establish SIF by SEBI on June 11, 2025.

C. Sponsor

The Sponsors of Aditya Birla Sun Life Mutual Fund are Aditya Birla Capital Limited, a part of the Aditya Birla Group, which is a premier conglomerate of businesses in India and Sun Life (India) AMC Investments Inc. (a company governed by the laws of Canada), one of the companies ultimately owned by Sun Life Financial Inc., which is a leading international financial services organization providing asset management, wealth, insurance and health solutions to individuals and institutional clients. Aditya Birla Capital Limited and Sun Life (India) AMC Investments Inc. are the Sponsors under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. Aditya Birla Capital Limited is the settler of Mutual Fund Trust. The Sponsor has entrusted a sum of Rs. 100,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

I. Aditya Birla Capital Limited

Aditya Birla Capital Limited (“ABCL”) is the holding company for the financial services businesses of the Aditya Birla Group. Pursuant to the Scheme of Amalgamation approved by the Hon’ble National Company Law Tribunal (NCLT), erstwhile Aditya Birla Finance Limited (“the ABFL”), a then wholly owned subsidiary of the Company, was amalgamated with the Company (“ABCL”) with effect from the Appointed Date, i.e., April 01, 2024. The Scheme became effective upon filing of the certified order of the NCLT with the Registrar of Companies on April 01, 2025. The Company and its subsidiaries, joint ventures and associate are principally engaged in the provision of financial services comprising of lending both as a non-banking financial institution and as a housing finance institution, life and health insurance, stock broking, asset management and others. Powered by about 60,000 employees, the businesses of ABCL have a nationwide reach with over 1,623 branches and more than 200,000 agents/channel partners along with several bank partners.

As of March 31, 2025, Aditya Birla Capital Limited manages aggregate assets under management of Rs. 5.11 Lakh Crore with a consolidated lending book of Rs 1.57 Lakh Crore through its Subsidiaries/JVs/Associate.

Aditya Birla Capital Limited is a part of the US\$66 billion global conglomerate Aditya Birla Group, which is in the league of Fortune 500. Anchored by an extraordinary force of over 187,000 employees belonging to 100 nationalities, the Group is built on a strong foundation of stakeholder value creation. With over seven decades of responsible business practices, the Group’s businesses have grown into global powerhouses in a wide range of sectors - from metals to cement, fashion to

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financial services and textiles to trading. Today, over 50% of the Group's revenues flow from overseas operations that span over 40 countries in North and South America, Africa, Asia, and Europe.

The Aditya Birla Group

A global conglomerate, the Aditya Birla Group is in the League of Fortune 500. Anchored by an extraordinary force of over 187,000 employees belonging to 100 nationalities, the Group is built on a strong foundation of stakeholder value creation. With over seven decades of responsible business practices, our businesses have grown into global powerhouses in a wide range of sectors – metals, pulp and fibre, chemicals, textiles, carbon black, telecom and cement. Today, over 50% of Group revenues flow from overseas operations that span 40 countries in North and South America, Africa and Asia. Please refer www.adityabirla.com for more details.

Financial Performance of the Aditya Birla Capital Limited (past three years):

Figures in crores (Rs)

Particulars	Year ended 31.03.2025	Year ended 31.03.2024	Year ended 31.03.2023
Net Worth*	30,388.72	26,817.26	20,310.75
Total Income	40,723.75	33,993.83	30,201.33
Profit for the year attributable to Owners of the Company	3,332.32	3,334.98	4,795.77

* Net worth represents Equity Share Capital and Other Equity

II. Sun Life (India) AMC Investments Inc.

Sun Life (India) AMC Investments Inc. is a wholly owned subsidiary of Sun Life Assurance Company of Canada and Sun Life Financial Inc. is the ultimate holding company of Sun Life (India) AMC Investments Inc.

Sun Life Financial is a leading international financial services organization providing asset management, wealth, insurance and health solutions to individuals and institutional clients. Chartered in 1865, Sun Life Financial and its partners today have operations in key markets worldwide, including Canada, United States, United Kingdom, Ireland, Hong Kong, Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda. As of March 31, 2025, Sun Life Financial Inc. had total assets under management of \$1.55 trillion. Please refer www.sunlife.com for more details.

Sun Life Financial Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under the ticker symbol SLF.

Financial Summary of Sun Life Financial Inc.

(Figures in Millions of Canadian Dollars)

Particulars	Year ended 31.12.2024	Year ended 31.12.2023	Year ended 31.12.2022
Net Worth (Total Equity)	26,129	24,200	29,377
Total Income (Revenues)	38,633	28,203	23,322
Profit/(loss) after tax (Common Shareholders net income)	3,049	(1,010)	3,060
Asset under Management (AUM)	1,542,340	1,405,411	1,325,859

The Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued and adopted by the International Accounting Standards Board ("IASB"). Sun Life's accounting policies have been applied consistently within its Consolidated Financial Statements.

D. The Trustee

Aditya Birla Sun Life Trustee Private Limited (the “Trustee”), through its Board of Directors, shall discharge its obligations as trustee of the APEX SIF. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

As regards to the Specialized Investment Fund (‘SIF’), the Trustee ensures that all the activities of the SIF are in accordance with the provisions of the SEBI Regulations and Circulars issued in this regard from time to time.

Details of Trustee Directors:

Name	Age/Educational Qualifications	Brief Experience
Mr. Najib Shah (Chairman & Independent Director)	68 years/ B.A.	<p>Mr. Najib Shah as an officer of the 1979 batch of Indian Customs & Central Excise services, retired as Chairman of the Central Board Excise & Customs (CBEC) in March 2017. As the Chairman of CBEC and as a special invitee to the GST council, he was closely involved with the process leading to the formulation of the GST Laws.</p> <p>In his illustrious career spanning more than 37 years, he held several important assignments, including in the High Commission of India in Singapore, Chief Commissioner of Customs, Nhava Sheva, Joint Secretary in the Ministry of Finance and Director General - Directorate of Revenue Intelligence. He was also responsible for initiating several reforms on Customs business processes including launching SWIFT, the Single Window Interface for Facilitating Trade, which has significantly contributed to reducing dwell time.</p> <p>He was also associated with the implementation of the WTO Agreement on Trade Facilitation, to which India is a signatory, and in initiating several reforms on Customs business processes. He is the recipient of the Presidential Award for Distinguished Record of Service.</p>
Mr. Anjani K Agrawal (Independent Director)	66 years/ Chartered Accountant, ICAI – National Rank Holder, Certified Internal Auditor – Institute of Internal Auditors, USA, Advanced Business Strategy from INSEAD Business	<p>Mr. Anjani K Agrawal is a former Partner of Ernst & Young (E & Y), having almost 40 years of professional experience, of which 26 years as a partner at EY.</p> <p>With a wide experience and expertise in auditing, risk management and transaction advisory, Mr. Agrawal has been a National Committee Member and speaker at National Industry Associations like CII, FICCI, FIMI, ICC, IIA, IMC etc. He has also worked closely with Central Government, NiTI Aayog on Policy making & strategy, PM Trophy, etc.</p> <p>Mr. Agrawal is also involved with the social entrepreneurship development space and Impact Investing in India.</p>

	Sustainability Management from Cambridge Institute of Sustainable Leadership (CISL)	
Mr. Debasish Mallick <i>(Independent Director)</i>	65 MA (Economics), and BA (Hons.)	<p>Mr. Debasish Mallick has a distinguished career in the fields of Development Banking, Investment Banking, Commercial Banking and Equity & Debt Capital markets. He has wide ranging experience in Project Appraisal/ Risk Evaluation, Financial Structuring and Financing of Infrastructure projects, including PPP projects.</p> <p>Mr. Mallick is the former Deputy Managing Director of Export-Import Bank of India by Government of India and Managing & CEO of IDBI Asset Management Limited. He has also served as Chief General Manager of IDBI Bank Limited where he headed Project Finance, Retail Banking, Alternate Channels and Retail Business-Western Zone.</p>
Mr. Pravin Kutumbe <i>(Independent Director)</i>	64 years/ B.com, Chartered Accountant	<p>Mr. Pravin Kutumbe is having more than 35 years of rich experience in Investment, Finance, Taxation & Insurance. He was associated with Life Insurance Corporation of India for 33 years where he held different positions as Chief Investment Officer (CIO) and Chief Financial Officer (CFO) of the organization. He was also a Whole Time Member of the Board of the Insurance Regulatory and Development Authority of India (IRDAI) for 3 years, overseeing finance, Investment & enforcement functions including Supervisory role in drafting Regulations & Guidelines.</p> <p>Currently, he is an Independent Director on the Board of Catalyst Trusteeship Limited, SBI DFHI Limited, SBI General Insurance Company Limited and Pramerica Life Insurance Limited.</p>
Dr. Ajit Ranade (Non- Executive Associate Director)	63 years/ B. Tech in Electrical Engineering from IIT- Bombay. PGDM from IIM- Ahmedabad PhD in Economics from Brown University, USA.	<p>Dr. Ajit Ranade thirty-five year career has spanned both academic and corporate assignments. He served as the Vice Chancellor of Gokhale Institute of Politics and Economics in Pune till October 2022. Prior to that he was Group Executive President and Chief Economist with the Aditya Birla Group, an Indian multinational conglomerate. Dr. Ranade has been a Member of the Executive Committees of apex industry chambers CII, FICCI and MCCIA. Dr. Ranade has earlier taught at universities in the U.S.A. and in India. He has been a member of the Board of several companies and trusts, and a columnist for over two decades, writing on economics and current topics. He is a co-author of an award winning book “Rising to the China Challenge” (2021).</p> <p>Dr. Ranade is Co-Founder and Trustee of Association for Democratic Reforms. He is a Trustee of the Pune International Centre and an Honorary Senior Fellow at the Takshashila</p>

		Institution. Dr. Ranade was educated at Indian Institute of Technology, Bombay and Indian Institute of Management, Ahmedabad. He received his PhD in Economics from Brown University. He received the Distinguished Alumnus award from IIT Bombay in 2009.
Ms. Harini Balaji (Associate Director)	56 Years / B.Com, MBA, LLB	Ms. Harini Balaji brings over 26 years of extensive experience in regulatory governance with the Securities and Exchange Board of India (SEBI), in area of fund management, corporate restructuring, listing, governance, primary market, secondary markets, debt, and hybrid securities. She has also worked extensively in enforcement areas, including surveillance and investigations. Currently, Ms. Balaji serves as a Member of the Advisory Council of the National Institute of Securities Markets (NISM). She is also a Senior Consultant - Regulatory Affairs with AZB & Partners, where she provides expert advice on regulatory matters within the securities market.

Responsibilities and Duties of the Trustees and its Directors

1. The Trustee and its Directors shall maintain arms' length relationship with other companies, or institutions or financial intermediaries or anybody corporate with which the Trustee may be associated.
2. The directors of the Trustee shall not participate in any decision-making process/resolutions of its Board Meetings for any investment in which they may be interested.
3. Amendments to the trust deed shall not be carried out without prior approval of SEBI and unitholders approval would be obtained where it affects the interest of unitholder.
4. The trustees shall ensure that the asset management company has the necessary expertise, internal control systems and risk management mechanism to invest in and manage investments.
5. The trustees shall ensure that the asset management company shall comply with such other requirements related to risk management, investor protection, disclosures and reporting, as may be specified by the Board from time to time.
6. The trustees shall ensure that all activities of the Specialized Investment Fund are in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996.

Supervisory Role of the Trustee

The Board of Trustee have met 7 (seven) times in the previous year (2024-2025). The performances of all the schemes are placed before the Trustee at such meetings. The report on statutory compliance and investor servicing are also regularly placed at such meetings by AMC. Audit committee of the Trustee has been constituted to review the internal audit systems and the recommendation of the internal and statutory audit reports and to ensure that the rectification as suggested by internal and external auditors are acted upon. An independent Trustee chairs the committee.

Rights and Obligations of the Trustees

Pursuant to the Trust Deed constituting the Mutual Fund and SEBI (Mutual Funds) Regulations, 1996, the Trustee has several rights and obligations mentioned hereunder:

1. The trustees and the asset management company shall with the prior approval of the Board enter into an investment management agreement.

2. The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and such other clauses as are necessary for the purpose of making investments.
3. The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees.
4. The trustees shall approve the policy for empanelment of brokers by the asset management company and shall ensure that an asset management company has been diligent in empaneling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
5. The trustees shall ensure that the asset management company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the unitholders.
6. The trustees shall ensure that the transactions entered into by the asset management company are in accordance with these regulations and the scheme.
7. The trustees shall ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.
8. The trustees shall ensure that all the activities of the asset management company are in accordance with the provisions of these regulations.
9. Where the trustees have reason to believe that the conduct of business of the mutual fund is not in accordance with these regulations and the scheme, they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the SEBI of the violation and the action taken by them.
10. Each trustee shall file the details of his transactions of dealing in securities with the Mutual Fund within the time and manner as may be specified by SEBI from time to time.
11. The trustees shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unitholders in accordance with these regulations and the provisions of trust deed.
12. The trustees shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.
13. The trustees shall ensure that the income calculated by the asset management company under sub-regulation (25) of regulation 25 of the regulations is in accordance with the regulations and the trust deed.
14. The trustees shall obtain the consent of the unitholders—
 - (a) Whenever required to do so by the SEBI in the interest of the unitholders; or
 - (b) whenever required to do so on the requisition made by three-fourths of the unitholders of any scheme; or
 - (c) when the majority of the trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 39 or prematurely redeem the units of a close ended scheme.
15. The trustees shall ensure that no change in the fundamental attributes of any scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of the regulations.
16. The trustees shall call for the details of transactions in securities by the key personnel of the asset management company in his own name or on behalf of the asset management company and shall report to the SEBI, as and when required.
17. The trustees shall quarterly review all transactions carried out between the mutual funds, asset management company and its associates.
18. The trustees shall on a quarterly basis review the networth of the asset management company to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis.
19. The trustees shall periodically review the service contracts relating to custody arrangements and satisfy themselves that such contracts are executed in the interest of the unit holders.
20. The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unit- holders.
21. The trustees shall periodically review the investor complaints received and the redressal of the same by the asset management company
22. The trustees shall abide by the Code of Conduct as specified in PART-A of the Fifth Schedule.
23. The trustees shall furnish to the Board on a half-yearly basis, —

- a. a report on the activities of the mutual fund;
- b. a certificate stating that the trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the trustees, directors and key personnel of the asset management company;
- c. a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in clause (b) of regulation 24 have been undertaken by the asset management company and has taken adequate steps to ensure that the interests of the unitholders are protected.

24. The independent trustees referred to in sub-regulation (5) of regulation 16 shall give their comments on the report received from the asset management company regarding the investments by the mutual fund in the securities of group companies of the sponsor.

25. Trustees shall exercise due diligence as under:

A. General Due Diligence

- i. The Trustee shall be discerning in the appointment of the Board of Directors of the AMC.
- ii. The Trustee shall review the desirability or continuance of AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float new schemes.
- iii. The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- iv. The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- v. The Trustees shall arrange for test checks of service contracts.
- vi. Trustees shall immediately report to SEBI of any special developments in the mutual fund.

B. Specific Due Diligence

The Trustees shall:

- i. Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.
- ii. Obtain compliance certificates at regular intervals from the AMC.
- iii. Hold meetings of Trustees more frequently.
- iv. Consider the reports of the independent auditor and compliance reports of AMC at the meetings of Trustees for appropriate action.
- v. Maintain records of the decisions of the Trustee at their meetings and of the minutes of the meetings.
- vi. Prescribe and adhere to a code of ethics by the Trustees, AMC and its personnel.
- vii. Communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.

C. Due diligence on certain core responsibilities:

- a. The Trustees shall ensure the fairness of the fees and expenses charged by the AMCs.
- b. The Trustees shall review the performance of AMC in its schemes vis-a-vis performance of peers or the appropriate benchmarks.
- c. The Trustees shall ensure that the AMCs have put in place adequate systems to prevent mis-selling to increase assets under their management and valuation of the AMCs.
- d. The Trustees shall ensure that operations of AMCs are not unduly influenced by the AMCs Sponsor, its associates and other stakeholders of AMCs.
- e. The Trustees shall ensure that undue or unfair advantage is not given by AMCs to any of their associates/group entities.
- f. The Trustees shall be responsible to address conflicts of interest, if any, between the shareholders/stakeholders/associates of the AMCs and unitholders.
- g. The Trustees shall ensure that the AMC has put in place adequate systems to prevent misconduct including market abuse/misuse of information by the employees, AMC and connected entities of the AMCs.

The Trustees shall take steps to ensure that there are system level checks in place at AMC's end to prevent fraudulent transactions including front running by employees, form splitting/ mis-selling by distributors etc. The Trustees shall review such checks periodically.

The Trustees and their resource persons shall independently evaluate the extent of compliance by AMC's vis-à-vis the identified key areas and not merely rely on AMC's submissions /external assurances.

AMC's shall put in place suitable mechanisms/systems to generate system based information/data/reports for evaluation and effective due diligence by the Trustees. AMC's shall provide alerts based automated reports to the Trustees as may be required by the Trustees.

The Trustees shall ensure that suitable mechanisms/systems are put in place by the AMC's to generate system based information/data/reports for evaluation and effective due diligence by the Trustees. The Trustees shall also ensure that the AMC's periodically review such systems.

AMC's shall submit exception reports/analytical information to the Trustees, that add value to the process of exercising their oversight role. The Trustees shall evaluate the nature and adequacy of the alerts and the manner of dealing with such alerts by AMC's.

The Trustees shall require the AMC's to furnish, in a true and fair manner, reports and alerts based on pre- decided parameters including but not limited to the areas specified as core responsibilities, for taking appropriate action.

The Trustees shall periodically review the steps taken by AMC's for folios which do not contain all the Know Your Client (KYC) attributes / updated KYC attributes and ensure that the AMC's take remedial steps necessary for updating the KYC attributes especially pertaining to bank details, PAN, mobile phone number.

Third Party Assurance

In order to enable Trustees to focus on the core responsibilities, for responsibilities other than the core responsibilities, the Trustees may rely on professional firms such as Audit Firms, Legal Firms, Merchant Bankers, etc (collectively referred to as "third party fiduciaries") for carrying out due diligence on behalf of the Trustees.

The responsibilities other than core responsibilities, for which the Trustees may avail services of third party fiduciaries, include the following:

- a. Overseeing that AMC's manage the operations of Mutual Fund schemes independently from other activities.
- b. Discharging their role as a custodian of assets on behalf of unitholders in accordance with MF Regulations and the trust deed.
- c. Reviewing the networth of the AMC on a periodic basis to ensure compliance with prescribed threshold.
- d. Ensuring that the transactions of the Mutual Funds are in accordance with the provisions of the trust deed.

Notwithstanding anything contained in sub-regulations (1) to (25) of the SEBI (MF) Regulations, the Trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.

The independent Directors of the Trustees shall pay specific attention to the following, as may be applicable, namely-

- i. the Investment Management Agreement and the compensation paid under the agreement,
- ii. service contracts with associates — whether the asset management company has charged higher fees than outside contractors for the same services,
- iii. selections of the asset management company's independent directors,
- iv. securities transactions involving associates to the extent such transactions are permitted,
- v. selecting and nominating individuals to fill independent directors vacancies,
- vi. code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions,

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- vii. The reasonableness of fees paid to sponsors, asset management company and any others for services provided,
- viii. principal underwriting contracts and their renewals,
- ix. any service contract with the associates of the asset management company.

II. THE ASSET MANGEMENT COMPANY

Aditya Birla Sun Life AMC Limited (“ABSLAMC”) is a public limited company incorporated under the Companies Act, 1956 on September 05, 1994 having its Registered Office at One World Center, Tower 1, 17th Floor, Jupiter Mills, S.B. Marg, Elphinstone Road, Mumbai - 400 013.

ABSLAMC has been appointed as the Asset Management Company of the APEX SIF by the Trustee vide Investment Management Agreement (IMA) dated December 16, 1994 and executed between Aditya Birla Sun Life Trustee Private Limited & Aditya Birla Sun Life AMC Limited. ABSLAMC is also the AMC of Aditya Birla Sun Life Mutual Fund. The paid-up share capital of ABSLAMC is Rs.144 crore as on March 31, 2025.

As on March 31, 2025, equity shareholding pattern of Aditya Birla Sun Life AMC Limited is as follows:

Name of Shareholders	Total nos. shares held	Percentage ownership held by the shareholder
Kumar Mangalam Birla	160	0.00%
Neerja Birla	160	0.00%
Aditya Birla Capital Ltd	12,96,43,873	44.94%
Sun Life (India) AMC Investment Inc.	8,64,29,461	29.96%
Public Shareholders	7,24,15,632	25.10%
Total	28,84,89,286	100%

Details of AMC Directors:

Name	Age/ Educational Qualification	Brief Experience
Mrs. Vishakha Mulye (Associate Director)	54 years/ B.Com and Chartered Accountant	<p>Vishakha Mulye is the Non-Executive Director of the Company. She is the Chief Executive Officer at Aditya Birla Capital Limited (“ABCL”), the holding company of the financial services arm of Aditya Birla Group. She is a Director on the Board of Aditya Birla Management Corporation Private Limited (“ABMCPL”), the apex corporate body of Aditya Birla Group that provides strategic direction and vision to group companies.</p> <p>Taking charge in 2022 at ABCL, Mrs. Mulye envisioned the ‘One ABC, One P&L’, strategy, anchored on the principles of ‘One Customer, One Experience and One Team’. This strategic roadmap has been central to Aditya Birla Capital’s transformative journey, driving accelerated growth and improved profitability across businesses. By</p>

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Name	Age/ Educational Qualification	Brief Experience
		<p>leveraging data, digital and technology, she has reimaged its business model, strengthened platform capabilities, and embarked on a mission to simplify finance, making it as simple as ABCD.</p> <p>Under her leadership, Aditya Birla Capital expanded its offerings across Loans, Investments, Insurance, and Payments, and developed an omnichannel D2C platform to deliver comprehensive financial solutions through ‘ABCD’, its user-friendly, intuitive mobile app. ABCL also introduced ‘Udyog Plus’, an all-inclusive digital B2B lending platform offering business loans, supply chain financing, and value-added services to the MSME ecosystem.</p> <p>Mrs. Mulye is on the Board of other ABCL’s operating companies including, Aditya Birla Housing Finance Limited, Aditya Birla Sun Life Insurance Company Limited and Aditya Birla Health Insurance Co. Limited. She is also a Director on the Board of Aditya Birla Capital Foundation and is an Independent Director on the Board of NPCI International Payments Limited. Mrs. Mulye is a Member of Aspen Institute's 'India Leadership Initiative' and served as the Deputy Co-Chair of CII’s National Forum on NBFC & HFCs 2023-24.</p> <p>Before joining the Aditya Birla Group, Mrs. Mulye held a range of leadership positions and led significant strategic transformations, as a part of the ICICI Group. As the Executive Director on the Board of ICICI Bank, she helmed their domestic and international Wholesale Banking, Proprietary Trading, Markets and Transaction Banking services. She was also the MD & CEO at ICICI Venture Funds Management Company Limited and served as the Group CFO at ICICI Bank. Amongst her numerous achievements, Mrs. Mulye played a pivotal role in driving the merger of ICICI and ICICI Bank, which led to the formation of the second largest private sector bank in India. During her long career span, Mrs. Mulye also led ICICI Bank's structured finance business, served on the Board of ICICI Lombard General Insurance Company Limited, and chaired the Board of ICICI Bank, Canada.</p> <p>A chartered accountant and a career banker with over 3 decades of track record in leading large-scale, long-term profitable businesses, Mrs. Mulye has been lauded with several prestigious honours for her valuable contribution to the world of business and finance.</p>

STATEMENT OF ADDITIONAL INFORMATION

Name	Age/ Educational Qualification	Brief Experience
<p>Mr. A Balasubramanian (Managing Director & Chief Executive Officer)</p>	<p>57 years/ B.Sc (Mathematics) Advanced Management Programs from IIM, Bangalore, and Harvard Business School bachelor's degree in science (Mathematics) and a master's degree in business administration from GlobalNxt University</p>	<p>Mr. A. Balasubramanian (DIN: 02928193) is the Managing Director & CEO of Aditya Birla Sun Life AMC Limited. A stalwart of the mutual fund industry, he brings with him over three decades of rich experience. He has been associated with the organisation since 1994. Prior to assuming the role of CEO in 2009, Mr. Balasubramanian served as the Chief Investment Officer from 2006 to 2009. As Managing Director & CEO, Mr. Balasubramanian oversees over Rs. 3.20 lakh crore in Assets Under Management at Aditya Birla Sun Life AMC. Before joining ABSLAMC in the year 1994, he worked with GIC Mutual Fund, Can Bank Financial Services and Pandit & Co. between 1989 and 1994.</p> <p>Mr. Balasubramanian was awarded CEO of the Year title by Asia Asset Management in 2018 and 2020. He has been awarded the Chairman's Individual Award by the Aditya Birla Group for being an Outstanding Leader in 2015 and for being a Leader of Leaders in 2018.</p> <p>Mr. Balasubramanian is closely associated with key industry bodies. He has been on the board of AMFI (Association of Mutual Funds in India) since 2009 and was the Vice Chairman of AMFI in 2015-2016. He has served as the Chairman of AMFI for two terms, from 2016-2018, and was reappointed for the period of 2021 – 2023. Mr. Balasubramanian is the Chairman of the AMFI Equity CIOs' Committee. He is also an esteemed member of the Fund Management Advisory Committee of the International Financial Services Centres Authority (IFSCA). The committee will be advising IFSCA in laying down a long-term plan for the orderly growth and development of the fund management industry in IFSC. He is a Governor on the Board of Governors of the National Institute of Securities Markets (NISM), a SEBI affiliated institute, and was also a member of the Advisory Committee of the SEBI Investor Protection and Education Fund (IPEF) for the period of 2019 – 2024.</p> <p>Mr. Balasubramanian is involved with philanthropic work through various charitable organisations. He is actively engaged in initiatives towards mother and child healthcare and supporting Indian arts and culture. He is one of the active members at the Sathya Sai Sanjeevani Centre for Child Heart Care. He is also associated with the Sathya Sai University, Gulbarga that imparts knowledge on Human Excellence to students during their higher education. He promotes Indian Arts and Village</p>

STATEMENT OF ADDITIONAL INFORMATION

Name	Age/ Educational Qualification	Brief Experience
		Traditional Culture by being a Trustee at the Melattur Bhagavata Mela Foundation.
<p>Mr. Sandeep Asthana (Associate Director)</p>	<p>55 years / B. Tech IIT, Mumbai MBA, IIM, Lucknow</p>	<p>Mr. Sandeep Asthana is the Non-Executive Director of the Company. He brings over 29 years of experience in Insurance and Asset Management. He is the Country-Head, India, for Sun Life Financial since 2011. His experience covers leadership roles in Reinsurance Group of America (RGA Re), Unit Trust of India (UTI) and Zurich Risk Management Services (India) Private Limited. Mr. Asthana is also a Director on the Board of Aditya Birla Sun Life Insurance Company Limited, Aditya Birla Sun Life Pension Management Limited, Empyrean Galaxy Private Limited and the Indo-Canadian Business Chamber.</p> <p>Mr. Asthana holds a Bachelor’s degree in Chemical Engineering from the Indian Institute of Technology (IIT), Bombay and a Post-Graduate Diploma in Management from the Indian Institute of Management (IIM), Lucknow.</p>
<p>Ms. Anita Ramachandran (Independent Director)</p>	<p>69 years/ Bachelor’s degree in commerce and a Master’s degree in management studies from Jamnalal Bajaj Institute of Management</p>	<p>Ms. Anita Ramachandran is a renowned Human Resource professional with deep knowledge and experience of around 40 years as a management consultant. She is also one of the first generation of women professional to become an entrepreneur and run a highly successful HR consulting and services organisation. Ms. Ramachandran began her career with AF Ferguson & Co. (the KPMG network company in India then) in 1976 as the first woman consultant of the firm. In her 19 years stint with AFF, she worked across various parts of the Country and wide range of areas from finance, industrial market research, strategy and human resource consulting. She was finally a Director of the Firm.</p> <p>Ms. Ramachandran founded Cerebrus Consultants in 1995 to focus on HR advisory services, including organisation transformation. Her reputation and innovative work helped her build Cerebrus into a firm with national presence. Ms. Ramachandran is known as an authority in reward management system in the country and her work in the compensation and rewards area is well recognised. In recent years, she has been involved in several large organisation transformation assignments. She also works with several PE firms and start -ups to mentor them through their growth journey.</p> <p>Ms. Ramachandran is an Independent Director on the Board of FSN E-Commerce Ventures Limited, Happiest Minds Technologies Limited, Grasim Industries Ltd,</p>

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Name	Age/ Educational Qualification	Brief Experience
		<p>Ujjivan Small Finance Bank Limited, Blue Star Limited, Ultratech Cement Limited and Aragen Life Sciences Limited. She is also a Director on the Board of Godrej and Boyce Manufacturing Company Limited, Cerebrus Consultants Private Limited and Nykaa Foundation.</p> <p>Ms. Ramachandran holds a Bachelor's degree in Commerce and a Master's degree in Management Studies from Jamnalal Bajaj Institute of Management.</p>
<p>Mr. Navin Puri (Independent Director)</p>	<p>65 years/ Chartered Accountant and Master in Business Administrations (MBA)</p>	<p>Mr. Navin Puri is an Independent Director of the Company. He brings with him over three decades of expertise in banking and financial services, with significant roles at HDFC Bank and ANZ Grindlays Bank. He has in-depth knowledge and understanding of the Indian Financial Retail Market and has been a catalyst in driving digitalisation and improving customer experience. Mr. Puri brings considerable expertise in managing regulatory and legal compliance. Mr. Puri is also an Independent Director on the Board of Equitas Small Finance Bank, Aditya Birla Health Insurance Co. Limited and Bandhan Life Insurance Limited. He holds a Master's degree in Business Administrations and is a Chartered Accountant (ICAI).</p>
<p>Mr. Sunder Rajan Raman (Independent Director)</p>	<p>71 years/ Master's degree in Economics, Law graduate, Diploma in Business Management.</p>	<p>Mr. Sunder Rajan Raman is an Independent Director of the Company. His core expertise is in investment banking, finance, capital market and governance. He served as a Whole-Time Member of SEBI from 2012 to 2017. His significant achievement with SEBI includes the transition to a new Foreign Portfolio Regime in 2014, curbing the menace of fraudulent fundraisings and introducing a regulatory framework for several new products viz. REITS/INVITS/ Municipal Bonds.</p> <p>Mr. Raman was also the Chairman and Managing Director of Canara Bank and Executive Director of Union Bank of India. He is also an Independent Director on the Board of Salzer Electronics Limited.</p> <p>Mr. Raman holds a Master's degree in Economics and is a Law graduate. He also holds a diploma in Business Management.</p>
<p>Mr. Ramesh Abhishek (Independent Director)</p>	<p>64 years/ Master's degree in Business Administration in Finance, International Politics and Public</p>	<p>Mr. Ramesh Abhishek is an Independent Director of the Company. A retired IAS officer of 1982 batch, Mr. Abhishek brings with him a rich experience of over 40 years as one of the most senior bureaucrats in the Indian Civil Service. In an illustrious career, he played key roles in leading governance, public policy, competitiveness,</p>

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Name	Age/ Educational Qualification	Brief Experience
	Administration.	<p>regulatory & judicial Reforms, policy design & implementation, investment promotion & facilitation, institution building, among many others.</p> <p>In his last appointment as the Secretary of the Department for Promotion of Industry and Internal Trade (DPIIT), he was instrumental in facilitating and building some of the unique large-scale and most impactful initiatives of the Government of India that include ‘Make in India’, ‘Startup India’, Ease of Doing Business and Industrial Corridors in the Country.</p> <p>Mr. Abhishek played a crucial role in driving the Invest India initiative to strengthen investment promotion and usher in FDI. He has also served as Chairman of the Commodity Derivative Markets Regulator and Forward Markets Commission.</p> <p>Mr. Abhishek is also an Independent Director on the Board of Ravindra Energy Limited and Indus Towers Limited. He is a Nominee Director on the Board of Nuvama Wealth Finance Limited and Nuvama Custodial Services Limited and is a Director on the Board of EODB Advisors (OPC) Private Limited.</p>
<p>Mr. Manjit Singh (Associate Director)</p>	<p>55 years/ B.A., Chartered Accountancy Studies degree from University of Waterloo; MBA from Richard Ivey School of Business; Fellow of the Chartered Professional Accountants (CPA) of Ontario; CFA from CFA Institute; and Advanced Management Program from Harvard Business School.</p>	<p>Mr. Manjit Singh is the Non-Executive Director of the Company, representing Sun Life (India) AMC Investments Inc. He is the President of Sun Life Asia responsible for one of Sun Life’s fastest growing strategic pillars focused on life, health and wealth management businesses in eight Asian markets. Mr. Manjit also served as Executive Vice President & Chief Financial Officer of Sun Life leading the Company’s Finance, Tax, Capital, Corporate Development, Investor Relations, and strategic finance initiatives.</p> <p>With more than 25 years of finance, strategy, risk and treasury experience, Mr. Singh has worked in financial services in Canada, the US and Europe.</p> <p>Prior to Sun Life, Manjit was an Executive Vice-President, Finance at TD Bank, where he led Enterprise Finance, including all Business Segment finance functions, Investor Relations, Tax, Chief Accountants, and Enterprise Strategy.</p> <p>Mr. Singh is also a Director on the Board of Aditya Birla Sun Life Insurance Company Limited, Sun Life of Canada (Philippines), Inc. and Sun Life Grepa Financial, Inc.</p>

Name	Age/ Educational Qualification	Brief Experience
Mr. Supratim Bandyopadhyay (Independent Director)	66 years/ Chartered Accountant (The Institute of Chartered Accountant of India)	<p>Mr. Sunder Rajan Raman is an Independent Director of the Company. His core expertise is in investment banking, finance, capital market and governance. He served as a Whole-Time Member of SEBI from 2012 to 2017. His significant achievement with SEBI includes the transition to a new Foreign Portfolio Regime in 2014, curbing the menace of fraudulent fundraisings and introducing a regulatory framework for several new products viz. REITS/INVITS/ Municipal Bonds.</p> <p>Mr. Raman was also the Chairman and Managing Director of Canara Bank and Executive Director of Union Bank of India. He is also an Independent Director on the Board of Salzer Electronics Limited.</p> <p>Mr. Raman holds a Master's degree in Economics and is a Law graduate. He also holds a diploma in Business Management.</p>

Duties and Obligation of the Asset Management Company

1. The Asset Management Company (AMC) shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of the SEBI (Mutual Funds) Regulations and the Trust Deed.
2. The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall obtain, wherever required under MF regulations, prior in-principle approval from the recognised stock exchange(s) where units are proposed to be listed.
4. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the Asset Management Company.
5. The AMC shall submit to the trustees quarterly reports of each year on its activities and the compliance with the Regulations.
6. The Trustees at the request of the AMC may terminate the assignment of the AMC at any time.
7. Provided that such termination shall become effective only after the Trustees have accepted the termination of assignment and communicated their decision in writing to the Asset Management Company.
8. Notwithstanding anything contained in any contract or agreement or termination, the Asset Management Company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.

The Chief Executive Officer of the AMC shall ensure that the Mutual Fund complies with all the provisions of SEBI (Mutual Funds) Regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unitholders and shall also be responsible for the overall risk management function of the Mutual Fund.

Chief Executive Officer (whatever be the designation) shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of these regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Trustees.

The Fund Managers shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme and in the interest of the unitholders.

The Fund Managers shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.

Explanation: - For the purposes of this sub-regulation, the phrase —Fund Managers shall include Chief Investment Officer (whatever be the designation).]

The Dealers (whatever be the designation) shall ensure that orders are executed on the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned to achieve the objectives of the scheme and in the best interest of all the unit holders.

The Dealers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.

The board of directors of the asset management company shall ensure that all the activities of the asset management company are in accordance with the provisions of the regulations.

9. (a) An AMC shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.

Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund.

Provided further that the aforesaid limit of 5% shall apply for a block of any three months.

(b) An AMC shall not purchase or sell securities through any broker [other than a broker referred to in point 7(a) above] which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its schemes, unless the Asset Management Company has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the Trustees on a quarterly basis:

Provided that the aforesaid limit of 5% shall apply for a block of three months or as may be prescribed under SEBI (MF) Regulations.

10. An AMC shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities. Provided that the Asset Management Company may utilise such services if disclosure to that effect is made to the unitholders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the Mutual Fund.

Provided further that the mutual funds shall disclose at the time of declaring half-yearly and yearly results:

- i. any underwriting obligations undertaken by the schemes of the mutual funds with respect to the issue of securities of associate companies;
- ii. devolvement, if any;
- iii. subscription by the schemes in the issues lead managed by associate companies;
- iv. subscription to any issue of equity or debt on private placement basis where the sponsor or any of its associate companies has acted as arranger or manager.

11. The AMC shall file with the Trustees the details of transactions in securities by the key personnel of the Asset Management Company in their own name or on behalf of the Asset Management Company and shall also report to SEBI, as and when required by SEBI.

12. In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustees at its next meeting.

13. In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the Trustees by the Asset Management Company and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. Provided the latter investment has been made within one year of the date of the former investment calculated on either side.

14. The AMC shall file with the Trustees and SEBI –
detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
and
Any change in the interests of Directors every six months.
A quarterly report to the Trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the Asset Management Company, as the case may be, by the mutual fund during the said quarter.
15. Each Director of the Asset Management Company shall file the details of his transactions of dealing in securities with the Trustees on a quarterly basis in accordance with guidelines issued by SEBI.
16. The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
17. The AMC shall appoint registrars and share transfer agents who are registered with SEBI.
18. Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
19. The AMC shall abide by the Code of Conduct as specified in PART-A of the Fifth Schedule of the SEBI (Mutual Funds) Regulations, 1996.
20. The AMC shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the SEBI from time to time.
21. The asset management company shall invest a percentage of the remuneration of such employees as specified by the Board in units of mutual fund schemes based on the designation or roles of the designated employees in the manner as may be specified by the Board.
22. The AMC shall not invest in any of its scheme unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of SEBI (Mutual Funds) (Amendment) Regulations, 2011.
23. Provided that AMC shall not be entitled to charge any fee on its investment in that scheme.
24. The AMC shall not carry out its operations including trading desk, unitholder servicing and investment operations outside the territory of India.
25. The AMC shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule of the SEBI (Mutual Funds) Regulations, 1996, and shall publish the same.
26. The AMC and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.
The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by SEBI.
27. The board of directors of the asset management company shall exercise due diligence as follows:

The board of directors of the asset management company shall ensure before the launch of any scheme that the asset management company has-

- systems in place for its back office, dealing room and accounting
- appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications and past experience in the securities market with the Trustees, within fifteen days of their appointment;
- appointed auditors to audit its accounts;
- appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of investors grievances;
- appointed a registrar to an issue and share transfer agent registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and laid down parameters for their supervision;
- prepared a compliance manual and designed internal control mechanisms including internal audit systems;

- specified norms for empanelment of brokers and marketing agents;
- obtained, wherever required under these regulations, prior in principle approval from the recognized stock exchange(s) where units are proposed to be listed.

The board of directors of the asset management company shall ensure that –

- the asset management company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with specific brokers;
 - the asset management company has not given any undue or unfair advantage to any associate or dealt with any of the associate of the asset management company in any manner detrimental to interest of the unit holders;
 - the transactions entered into by the asset management company are in accordance with these regulations and the respective schemes;
 - the transactions of the mutual fund are in accordance with the provisions of the trust deed;
 - the networth of the asset management company are reviewed on a quarterly basis to ensure compliance with the threshold provided in clause (f) of sub regulation (1) of regulation 21 on a continuous basis;
 - all service contracts including custody arrangements of the assets and transfer agency of the securities are executed in the interest of the unit holders;
 - there is no conflict of interest between the manner of deployment of the networth of the asset management company and the interest of the unit holders;
 - the investor complaints received are periodically reviewed and redressed;
 - all service providers are holding appropriate registrations with the Board or with the concerned regulatory authority;
 - any special developments in the mutual fund are immediately reported to the trustees;
 - there has been exercise of due diligence on the reports submitted by the asset management company to the trustees;
 - there has been exercise of due diligence on such matters as may be specified by the Board from time to time.
28. The compliance officer appointed under sub-clause (iv) of clause (a) of sub-regulation (22) shall independently and immediately report to the Board any non-compliance observed by him.
29. The AMC shall constitute a Unit Holder Protection Committee in the form and manner and with a mandate as may be specified by the Board.
30. The AMC shall be responsible for calculation of any income due to be paid to the mutual fund and also any income received in the mutual fund, for the unit holders of any scheme of the mutual fund, in accordance with the regulations and the trust deed.
31. The AMC shall ensure that no change in the fundamental attributes of any scheme or the trust, fees and expenses payable or any other change which would modify the scheme and affect the interest of unit holders, shall be carried out unless,-
- A written communication about the proposed change is sent to each unit holder and an advertisement is issued in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the mutual fund is situated; and
- the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
 - The asset management company shall put in place an institutional mechanism, as may be specified by the Board, for the identification and deterrence of potential market abuse including front-running and fraudulent transactions in securities.
32. The Chief Executive Officer or Managing Director or such other person of equivalent or analogous rank and Chief Compliance Officer of the asset management company shall be responsible and accountable for implementation of such an institutional mechanism for deterrence of potential market abuse, including front-running and fraudulent transactions in securities.
33. The asset management company shall establish, implement and maintain a documented whistle blower policy that shall –
- provide for a confidential channel for employees, directors, trustees, and other stakeholders to raise concerns about suspected fraudulent, unfair or unethical practices, violations of regulatory or legal requirements or governance vulnerability, and establish procedures to ensure adequate protection of the whistle blowers.
34. An asset management company shall ensure compliance with the Investor Charter specified by the Board from time to

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time.

35. The asset management company shall conduct stress testing for such schemes as specified by the Board and disclose the results of the stress testing in the form and manner, as may be specified by the Board.
36. The asset management company shall ensure that the Specialized Investment Fund has distinct identification, separate from that of the Mutual Fund, to maintain clear differentiation between the offerings of the Specialized Investment Fund and that of a Mutual Fund.
37. The asset management company shall comply with the provisions relating to branding, advertising, standard disclaimers, guidelines on usage of sponsor or asset management company or mutual fund's brand name and maintenance of a separate website, as may be specified by the Board from time to time.

The board of directors of the trustee company and the board of directors of the asset management company, including any of their committees, shall meet at such frequency as may be specified by the Board from time to time.

Information of Key Personnel:

Name/ Designation	Age	Educational Qualific	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. A Balasubramanian (Managing Director & Chief Executive Officer)	57 years	B.Sc (Mathematics) Advanced Management Programs from IIM, Bangalore, and Harvard Business School Bachelor's degree in science (Mathematics) and a master's degree in Business Administration from GlobalNxt University	~30 years	<p>Mr. A. Balasubramanian (DIN: 02928193) is the Managing Director & CEO of Aditya Birla Sun Life AMC Limited. A stalwart of the mutual fund industry, he brings with him over three decades of rich experience. He has been associated with the organisation since 1994. Prior to assuming the role of CEO in 2009, Mr. Balasubramanian served as the Chief Investment Officer from 2006 to 2009. As Managing Director & CEO, Mr. Balasubramanian oversees over Rs. 3.20 lakh crore in Assets Under Management at Aditya Birla Sun Life AMC. Before joining ABSLAMC in the year 1994, he worked with GIC Mutual Fund, Can Bank Financial Services and Pandit & Co. between 1989 and 1994.</p> <p>Mr. Balasubramanian was awarded CEO of the Year title by Asia Asset Management in 2018 and 2020. He has been awarded the Chairman's Individual Award by the Aditya Birla Group for being an Outstanding Leader in 2015 and for being a Leader of</p>

Leaders in 2018.

Mr. Balasubramanian is closely associated with key industry bodies. He has been on the board of AMFI (Association of Mutual Funds in India) since 2009 and was the Vice Chairman of AMFI in 2015-2016. He has served as the Chairman of AMFI for two terms, from 2016-2018, and was reappointed for the period of 2021 – 2023. Mr. Balasubramanian is the Chairman of the AMFI Equity CIOs’ Committee. He is also an esteemed member of the Fund Management Advisory Committee of the International Financial Services Centres Authority (IFSCA). The committee will be advising IFSCA in laying down a long-term plan for the orderly growth and development of the fund management industry in IFSC. He is a Governor on the Board of Governors of the National Institute of Securities Markets (NISM), a SEBI affiliated institute, and was also a member of the Advisory Committee of the SEBI Investor Protection and Education Fund (IPEF) for the period of 2019 – 2024.

Mr. Balasubramanian is involved with philanthropic work through various charitable organisations. He is actively engaged in initiatives towards mother and child healthcare and supporting Indian arts and culture. He is one of the active members at the Sathya Sai Sanjeevani Centre for Child Heart Care. He is also associated with the Sathya Sai University, Gulbarga that imparts knowledge on Human Excellence to students during their higher education. He promotes Indian Arts and Village Traditional

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				Culture by being a Trustee at the Melattur Bhagavata Mela Foundation.
Ms. Kamayani Aniruddh Nagar Head- Retail Sales	51 years	PGDM for Working Executives, IIM Indore Bachelor of Applied Sciences, Delhi University	~ 25 years	Ms. Kamayani has over 20 years of experience in the BFSI and Communication industry. She has worked in organisations like Bandhan Bank, Bajaj Capital Limited, Citibank - India and ICICI Bank where she has handled multiple roles from Branch Banking, Outbound Sales & Distribution Channel, Priority, Wealth and Family Offices.
Mr. Vikas Mathur Head- Institutional Sales	47 years	Bachelor's degree in electronics and communication engineering from University of Madras, a Postgraduate diploma in business entrepreneurship and management from the Indian Institute of Planning and Management and a master's degree in business administration from the International Management Institute	~22 years	Mr. Vikas Mathur is the Head - Institutional Sales of our Company. He holds a bachelor's degree in electronics and communication engineering from University of Madras, a postgraduate diploma in business entrepreneurship and management from the Indian Institute of Planning and Management and a master's degree in business administration from the International Management Institute. He has previously worked at HBL Global Private Limited and at ICICI Prudential Life Insurance Company Limited. He joined our Company on August 1, 2008
Ms. Keerti Gupta Chief Operations Officer (COO) & Investor Relations Officer	55 years	Bachelor's degree in science (home science) from Rajasthan Agriculture University, Bikaner, and master's degree in business administration from Maharishi Dayanand Saraswati University, Ajmer.	~26 years	Keerti Gupta is the Chief Operations Officer of our Company. She holds a bachelor's degree in science (home science) from Rajasthan Agriculture University, Bikaner and master's degree in business administration from Maharishi Dayanand Saraswati University, Ajmer. She has previously worked at Gujarat Lease Finance Limited and has been associated with the Aditya Birla group for last 30 years.

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				She is a Director at MF Utilities India Private Limited and ABSL Umbrella UCITS Funds Plc. She joined our Company on January 1, 2015.
<p>Mr. Parth Makwana</p> <p>Chief Compliance Officer</p>	36 years	B.Com, CS, and LL.B	~14 years	Mr. Parth Makwana joined ABSLAMC in December 2016 and has an overall experience of 14 years in the Compliance Function of the Mutual Fund industry. In his current role, he is primarily responsible for ensuring compliances with various applicable SEBI laws and Prevention of Money Laundering Act. Additionally, he has handled audits and inspections. Prior to joining ABSLAMC, he was associated with asset managers viz. HDFC Asset Management Company Limited, Nippon Life India Asset Management Limited and IDBI Asset Management Limited.
<p>Mr. Hari Babu. B</p> <p>Chief Risk Officer</p>	54 years	B.Com., MBA (Fin), CFA (CFA Institute, USA), Financial Risk Manager (GARP, USA), Certified Financial Planner (FPSB, India)	~32 years	He has overall experience of around 31 years. Prior to joining ABSLAMC, he has worked with UTI Mutual Fund. His experience includes primarily Risk Management, portfolio research and analysis, among others.
<p>Mr. Vishal Shah</p> <p>Head – Internal Audit</p>	46 years	Chartered Accountant (CA), Diploma in Information System Audit (DISA)	~20 years	Mr. Vishal Shah is the Head – Internal Audit of our Company. He has over two decades of experience as a governance professional predominantly working as an Internal Auditor for various financial service entities including Investment Management, Mutual Funds, PMS, AIF, NBFC, Fintech Companies, Trustee Companies, ARCs etc. His prior experience includes working with organization such as BDO India LLP, KPMG India, Baroda BNP Paribas Asset Management India Private Limited

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				and Haribhakti & Co LLP.
<p>Mr. Basil Dange</p> <p>Chief Information Security Officer</p>	39 years	<p>Bachelors in Engineering in Electronic communication from University of Mumbai</p>	~15 years	<p>Mr. Basil Dange joined Aditya Birla Sun Life AMC Limited in March 2022 as a Cyber Information Security Officer (CISO) and is responsible for managing Organization’s Cyber Security by orchestrating people - process-technology towards achieving business objectives of the organisation with respect to information security standards.</p> <p>He brings around 15 years of rich experience in Information technology, cybersecurity, and risk management. Prior to joining the company, he served role of managing Cyber Security Risk with IndusInd Bank. He was also associated with Kotak Bank Ltd., CRISIL Ltd. LTD, 3I-Infotech Ltd etc. in past in similar capacities.</p> <p>He holds a bachelor’s degree in electronic Telecommunication from the University of Mumbai along with core competency courses such as Certified Information Security Manager (CISM) .</p>
<p>Mr. Pradeep Sharma</p> <p>Chief Financial Officer</p>	52 years	<p>Chartered Accountant, Company Secretary</p>	~30 years	<p>Mr. Pradeep Sharma has over 30 years of experience in the finance domain. He has been associated with Aditya Birla Group from 1996. Mr. Sharma is currently the Chief Financial Officer of Aditya Birla Sunlife AMC Ltd since October 2024. He has also been the Chief Financial Officer of Aditya Birla Money Limited from Apr’15 to Oct’24 - Aditya Birla Money Limited (Listed), Aditya Birla ARC Limited and Aditya Birla Infrastructure Finance & Wealth Management. Prior to this, he was working with Corporate Finance Division of UltraTech Cement since May 2010 and has held the position</p>

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				of Sr. Vice President & Head - Corporate Taxation. He has also hold Sr. Positions at manufacturing plants of Ultratech Cement Ltd.
Mr. Anindya Karmakar Head – Digital Business	52 years	MBA (FMS, Delhi University), B. Tech in Computer Science and Technology (IIT Madras)	~27 years	Mr. Anindya Karmakar has over 27 years of work experience. He has been associated with Aditya Birla Capital for more than 6 years, where he has managed diverse roles into Sales, Strategy, Products, Service, Operations, Digital Transformation and Analytics. He has previously worked with ICICI Bank, Citigroup, and ING Life Insurance in multiple leadership roles in business and transformation. He joined our company on Oct 1, 2024.
Mr. Ranabir Bose	45 years	B. Com (Calcutta University), PGDBM in Marketing & Communication (Mumbai University)	~20 years	Mr. Ranabir Bose has over 20 years of experience in the Marketing domain. He has been associated with Aditya Birla Capital (ABC) for the past 17 years. Mr. Bose is currently the Head - Marketing at Aditya Birla Sun Life AMC Limited (ABSLAMC) since October 2024. Prior to his stint at ABSLAMC, he was leading the marketing function at Aditya Birla Finance and, before that, he was part of the Corporate Marketing team, where he was responsible for brand communication, media planning, and buying across ABC lines of business.
Mr. Prasad Kakkat (Head – HR and Administration)	47 years	B.Com, Post Graduate Diploma in Personnel Management from National Institute of Personnel Management	~24 years	Mr. Prasad Kakkat has over 24 years of work experience in the Human Resource function and has been associated with Aditya Birla Capital for the past 14 years. Mr. Kakkat is currently handling the role of Head – Corporate HR & Talent Staffing at Aditya Birla Capital Ltd for the past 2 years and prior to that he was associated with Aditya Birla Sun Life Insurance for 12 years. Before joining the Aditya Birla Group, he was associated with organisations like V-Guard Industries Ltd., Hindustan Coca-Cola Beverages Pvt. Ltd. And Samsung India Electronics Pvt. Ltd.

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Ms. Sneha Suhas (Chief Technology Officer)	55 years	B.E. in Computer Engineering, MBA in IT & Systems	~25 years	Ms. Sneha Suhas brings over 25 years of extensive experience across diverse technology leadership roles. She has been the Chief Technology Officer of Aditya Birla Capital Digital Ltd. (ABCD) since September 2024. Prior to joining ABCD, she led technology functions at several leading BFSI institutions including Standard Chartered Bank, IDFC First Bank, Mahindra & Mahindra Financial Services and ICICI Bank Limited.
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DETAILS OF THE FUND MANAGEMENT TEAM

Name	Age	Portfolio	Educational Qualifications	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Harish Krishnan	45 years	Chief Investment Officer - Equity	Bachelor's degree in engineering from Government College, Trichur Chartered Financial Analyst from the CFA Institute PGDBM, IIM Kozhikode	~21 years	He has as an experience of nearly 21 years in Asset Management industry both domestically and internationally. Prior to joining Aditya Birla Sun Life AMC Limited ("ABSLAMC"), he was associated with Kotak Mutual Fund for more than 10 years as Senior Fund Manager - Equity. He has also worked at Kotak Mahindra (UK) Limited where he managed offshore funds based out of Singapore and Dubai.
Ms. Sunaina da Cunha	43 years	Co- CIO- Debt	B.Com., MBA (FMS, Delhi), CFA	~20 years	She has over 20 years of experience in credit evaluation and research. Prior to joining ABSLAMC, she worked with Aditya Birla Management Corporation Ltd as Group Management Trainee.
Mr. Kaustubh Gupta	42 years	Chief Investment Officer- Fixed Income	CA, B.Com.	~20 years	He has over 20 years of experience in Fund management activities. Prior to joining ABSLAMC, he has worked with ICICI Bank Limited in asset liability management team.

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Name	Age	Portfolio	Educational Qualifications	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Kunal Sangoi	42 years	Fund Manager and Senior Analyst	C.A., B.Com.	~20 years	He has over 20 years of total experience in the area of fund management and equity research. Prior to joining ABSLAMC in 2012, he worked with Edelweiss Financial Services Limited as a senior analyst in its institutional equity research division.
Mr. Lovelish Solanki	40 years	Fund Manager and Dealer	MMS (Finance), BMS (Finance)	~11 years	He has an overall experience of over 17 years in Fund Management. Trading and Dealing. Prior to joining ABSLAMC, he was Equity /Equity Derivatives - Trader at Union KBC Asset Management Co Limited since February 2011. Before that he worked at Edelweiss Asset Management Co. Ltd since January 2008.
Mr. Chanchal Khandelwal	45 years	Fund Manager and Analyst	B.Com. (H); MBA – Finance,	~21 years	He has an overall experience of around 21 years in financial markets of which 11 years is with ABSLAMC. Prior to joining ABSLAMC, he has worked with Aditya Birla Retail Limited (February 2007 - May 2008) and Aditya Birla Management Corporation Ltd. (December 2005 - February 2007) in the areas of Strategy and Corporate Finance.
Mr. Dhaval Gala	39 years	Fund Manager and Analyst	PGDBM Finance, BMS	~19 years	He has an overall experience of around 19 years in financial markets. He has over 17 years of experience in doing investment research and analysis in Banking & Financial Services sector. He joined ABSLAMC in February 2011, since then he has been a part of the research team. Prior to joining ABSLAMC, he has worked with B&K Securities (January 2008 – February 2011) and J P Morgan Chase India Private Ltd (May 2005 – July 2006).

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Name	Age	Portfolio	Educational Qualifications	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Mohit Sharma	45 years	Fund Manager	PGDCM – IIM Calcutta; B Tech – IIT Madras	~19 years	He has around 19 years of experience of which 11 years is in financial markets. He joined ABSLAMC in October 2015. Prior to joining ABSLAMC, he ran his own healthcare-tech business (June 2012 - May 2015). He has also worked as an Interest Rates Trader in Standard Chartered Bank (May 2007 - June 2011) and ICICI Bank Ltd (June 2006 - April 2007). He started his career in the Equity Research in Irevna Ltd (June 2005 - June 2006).
Mr. Dhaval Shah	45 years	Fund Manager and Analyst, Head – Research (Equity)	B.Com., CFA, MBA	~20 years	He has over 20 years of work experience in Equity Capital Markets. He has also worked with Morgan Stanley Investment Management, Reliance Capital Asset Management Ltd. and Edelweiss Securities.
Mr. Vinod Bhat	50 years	Fund Manager	CFA (USA), MBA Finance (USA), M.S. Industrial Engineering - (USA), B. Tech & Mechanical Engineering - IIT Bombay	~24 years	Mr. Bhat has an overall experience of 24 years with over 13 years in the financial markets and investment banking space. He has been associated with ABSLAMC since July 2018 as Head of Investor Communications (Investments - Equity). Prior to joining ABSLAMC, he was the Vice President - Corporate Strategy and Business Development with Aditya Birla Management Corporation Pvt. Ltd. He had also worked with Ocean Park Advisors (USA) as a Senior Associate- Investment Banking. He was also an Associate - Investment Banking with Credit Suisse (USA).

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Name	Age	Portfolio	Educational Qualifications	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Bhupesh Bameta	44 years	Fund Manager & Economist	B.Tech (IIT Kanpur), CFA Charterholder (CFA Institute, USA)	~17 years	Mr. Bhupesh Bameta has an overall experience of 17 years in the financial services industry. He joined ABSLAMC in December 2017. Prior to joining ABSLAMC he was the Head of Research in Forex and Rates Desk at Edelweiss Securities Limited, covering global and Indian forex markets and economies. He was also associated with Quant Capital for 6 years as an Economist and was covering Indian and global economy and markets.
Mr. Anuj Jain	42 years	Fund Manager and Senior Analyst	MBA from Narsee Monjee Institute of Management Studies (NMIMS), B.Com (Hons) from Rajasthan University and CFA Level 2 (CFA Institute, USA)	~20 years	Mr. Anuj Jain has an overall experience of 20 years in the financial services industry. He joined ABSLAMC in August 2017 as Senior Credit Analyst-Fixed Income. Prior to joining ABSLAMC he was the Deputy General Manager and Head of Financial Sector Ratings at CARE Ratings Ltd. for about 9 years. Prior to that he was associated with Bank of America Continuum Solutions for more than a year as an Analyst covering the Global Technology sector.
Ms. Monika Gandhi	42 years	Fund Manager and Senior Analyst	Chartered Accountant, CAIIB, B.Com. (Hons)	~20 years	<p>Ms. Monika Gandhi has more than 20 years of experience in credit analysis, project finance assessment and due diligence. She joined ABSLAMC in August 2017 as a Senior Credit Analyst – Fixed Income and is responsible for credit analysis of companies in Commodities, Power, Renewables, Infrastructure, Real Estate and REIT/INVITs, etc. She is also co-fund manager for Ultra Short Term Fund (Fixed Income).</p> <p>Prior to joining ABSLAMC, she was a Deputy General Manager in IDBI Bank for 13 years wherein she handled project appraisal, credit evaluation and credit monitoring for Large and Mid-Corporates.</p>

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Name	Age	Portfolio	Educational Qualifications	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Harshil Suvarnkar	38 years	Fund Manager	Master's in management studies (Finance), Post Graduate Diploma in Securities Law & B. Com.	~15 years	Mr. Harshil Suvarnkar has an overall experience of over 15 years in the financial services industry. Prior to joining ABSLAMC he was associated with one of India's largest HFC for 10 years as Head - Markets, Treasury heading treasury investments, Asset Liability Management (ALM) and capital market borrowings.
Mr. Atul Penkar	50 years	Fund Manager	Bachelor of Engineering, Masters in Management Studies	~24 years	He has over 24 years of experience in Equity Research and Fund Management. He joined Aditya Birla Sun Life AMC Limited in April 2006 as Research Analyst and Portfolio Manager and has also worked as Portfolio Advisor for offshore funds. Prior to joining ABSLAMC, he worked as an Equity Research Analyst with Emkay Global Financial Services Limited.
Mr. Sanjay Godambe	49 years	Fund Manager and Dealer	Diploma in Finance Management and B. Com	~27 years	Mr. Sanjay Godambe is a finance professional with an experience of over 27 years in the area of finance, Mutual Fund dealing and its related activities (including fixed income dealing). He possesses proficient knowledge in Capital Market i.e., in Government Securities, Corporate Bonds, Certificate of Deposits and Commercial Papers. He also has prior experience of managing operations and implementing strategies towards enhancing market penetration, business volumes and growth.
Mr. Sachin Wankhede	47 years	Fund Manager and Senior Analyst	B. Com and PGDBM (Sydenham Institute of Management Studies, Research and Entrepreneurship)	~23 years	Mr. Sachin Wankhede has around 23 years of experience in credit analysis, evaluation, risk assessment and due diligence. He joined Aditya Birla Sun Life AMC Limited in 2016 and is responsible for Credit analysis of companies in Commodities, Road, Telecom, Real Estate and Retail sector, etc. He was previously associated with Aditya Birla Financial Services Group,

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Name	Age	Portfolio	Educational Qualifications	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					L&T Infrastructure Finance Company, Credit Analysis and Research and Gammon Infrastructure Projects Ltd.
Mr. Sanjay Pawar	49 years	Fund Manager and Dealer	M.Com	~25 years	Mr. Sanjay is associated with Aditya Birla Sun Life AMC Limited (“ABSLAMC”) since 2005. He has an experience of more than 16 years in dealing activities in the debt segment. He has also worked for around 5 years in back office/settlement function of ABSLAMC.
Mr. Vishal Gajwani	43 years	Fund Manager	Chartered Accountant and CFA (US)	~18 years	He has over 18 years of experience in Equity Research and Portfolio Management. He joined Aditya Birla Sun Life AMC Limited (“ABSLAMC”) in March 2013 as a Portfolio Manager. Prior to joining ABSLAMC, he worked as a Research Analyst and Assistant Portfolio Manager with Nippon Life India Asset Management Limited.
Mr. Jonas Bhutta	42 years	Fund Manager and Senior Analyst	MBA (Finance) from ICFAI Business School	~17 years	Mr. Jonas Bhutta has an experience of around 17 years in the field of Equity Research. Prior to joining Aditya Birla Sun Life AMC Limited, he was associated with Phillip Capital (India) Pvt. Ltd., Bank of America Merrill Lynch, Daiwa Securities Co. Ltd., Prabhudas Lilladher Pvt. Ltd. And HDFC Securities Limited
Mr. Dhaval Joshi	40 years	Fund Manager and Senior Analyst	MBA (Finance), M.Com, B. Com	~17 years	He has an overall experience of 17 years in equity research and investments. Prior to joining Aditya Birla Sun Life AMC Limited, he was associated with Sundaram Mutual Fund (India) Ltd. For around 5 years. He has also worked as a research analyst with Emkay Global Financial Services and Asit C Mehta Investment Intermediates Ltd.
Mr. Vighnesh Gupta	29 years	Fund Manager and Research Analyst	C.A, CFA, B. Com (H)	~6 years	He has over 6 years of experience in the Financial markets. He has been associated with ABSLAMC as a Research Analyst since August 2020. Prior to joining ABSLAMC, he has worked with different companies of Aditya Birla Group. He was also

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Name	Age	Portfolio	Educational Qualifications	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					associated with Ernst & Young as Executive – Assurance.
Mr. Dilip Zujam	44 years	Fund Manager and Dealer	B.Com	~14 years	Mr. Dilip Zujam is associated with Aditya Birla Sun Life AMC Limited (“ABSLAMC”) since 2007. He has an experience of more than 14 years in dealing activities in the debt segment. Prior to joining ABSLAMC, he was associated with Chokshi & Chokshi LLP as Executive – Internal Audit.
Mr. Abhinav Khandelwal	44 years	Senior Fund Manager	CA, B.com	~15 years	He has overall experience of more than 15 years in the Equity Markets. Before joining Aditya Birla Sun Life AMC Limited (“ABSLAMC”), he was worked with Mahindra Manulife Mutual Fund as Equity Fund Manager. He has also worked with Canara Robeco Asset Management Company Limited as Equity Fund Manager – offshore for India Dedicated mandates.
Ms. Priya Sridhar	46 years	Fund Manager and Dealer	Master’s in Financial Management from Mumbai University	~16 years	Ms. Priya Sridhar has an experience of over 16 years in dealing activities in equity segment including ETFs and Index Funds. Prior to joining ABSLAMC, she was associated with ICICI Prudential Asset Management Company as Fund Manager and Dealer – Passive Funds. She has also worked with ITI Asset Management Limited as Senior Dealer – Equity and Arbitrage Funds.
Ms. Krina Mehta	27 Years	Fund Manager and Dealer	B.M.S (Finance), M.M.S (Finance)	~3 years	Ms. Krina Mehta has an experience in dealing activity. Prior to joining Aditya Birla Sun Life AMC Limited, she was a part of OHM Stock Broker Private Limited where she handled the Institutional Derivative desk, as an associate sales trader and also, looked after the alternative research side.
Mr. Manish Gupta	21 years	Senior Fund Manager	Post Graduate Diploma in Management – IIM Indore	~21 years	Mr. Manish Gupta has over 21 years of experience, with deep expertise in the Indian equity market and a specialization in long short equity

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Name	Age	Portfolio	Educational Qualifications	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					strategies. Prior to joining ABSLAMC, he has worked across global hedge funds, Indian proprietary funds, and global brokerage houses, including Millennium Singapore, Polymer Capital Hong Kong, and Kotak Securities.
Mr. Rohit Karan	42 years	Fund Manager and Dealer	PGDM, IIM Ahmedabad, Bachelor of Technology, IIT Kanpur	~16 years	Mr. Rohit Karan has over 16 years of experience of Fund management and trading Equities Long Short, options and fixed income portfolios. Prior to joining ABSLAMC, he was associated as a Senior Portfolio Manager with Tara Capital Partners Private Limited, ICICI Prudential AMC (Alternates) and as a systematic trader in ARJ Securities, Franklin Templeton Alternatives, DSP Blackrock Investments, Reliance Industries Limited and few others in the past.

RESEARCH TEAM

Name	Qualification	Designation
Ms. Achala Kanitkar	B.Com., MBA (Finance)	Senior Analyst (Equity)
Mr. Dhaval Shah	B.Com., CFA, MBA	Fund Manager and Senior Analyst (Equity), Head – Research (Equity)
Mr. Chanchal Khandelwal	B.Com. (H) SRCC; MBA (XIM)	Fund Manager and Senior Analyst (Equity)
Mr. Dhaval Gala	PGDBM – Finance, BMS	Fund Manager and Senior Analyst (Equity)
Mr. Kunal Sangoi	C.A., B.Com.	Fund Manager and Senior Analyst (Equity)
Mr. Sachin Wankhede	B.com, MBA (Finance)	Fund Manager and Senior Analyst (Fixed Income)
Ms. Monika Gandhi	Chartered Accountant, B.Com. (Hons)	Fund Manager and Senior Analyst (Fixed Income)
Mr. Anuj Jain	MBA from Narsee Monjee Institute of Management Studies (NMIMS), B.Com (Hons) from Rajasthan University and CFA Level 2 (CFA Institute, USA)	Fund Manager and Senior Analyst (Fixed Income)
Mr. Vighnesh Gupta	B. Com (H) - St. Xavier's College, Kolkata, Chartered Accountant, and CFA	Fund manager & Research Analyst (Fixed Income)
Mr. Subham Sharma	B.Com and MBA in Finance	Research Analyst – Equity
Mr. Jonas Bhutta	MBA	Fund Manager and Senior Analyst – Equity
Mr. Pavas Pethia	B.Tech.(Electronics - NIT Jaipur), PGDM (Finance and Economics – IIM Lucknow)	Senior Analyst – Equity
Mr. Sarthak Batra	MBA, B.Tech	Research Analyst - Equity
Mr. Shyam Maheshwari	Chartered Accountant and MBA	Research Analyst - Equity

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Name	Qualification	Designation
Mr. Dhaval Joshi	M.Com and MBA	Fund Manager and Senior Analyst – Equity
Mr. Himanshu Taluja	MBA and B.Tech	Research Analyst – Equity
Mr. Kartikeya Singh	Integrated M.Sc in Economics	Research Analyst – Equity
Mr. Naushad Chaudhary	MBA in Finance	Senior Analyst – Equity

DEALER TEAM

Name	Qualification	Designation
Mr. Sujit Patki	B.Com., DBM, MCS	Head – Dealer
Mr. Sanjay Godambe	Diploma in Finance Management and B. Com	Fund Manager and Dealer (Debt)
Mr. Sanjay Pawar	M.Com	Fund Manager and Dealer (Debt)
Mr. Dilip Zujam	B. Com	Fund Manager and Dealer (Fixed Income)
Mr. Priya Sridhar	Master’s in Financial Management from Mumbai University	Fund Manager and Dealer (Passive Funds)
Mr. Rupesh Gurav	B. Com	Dealer (Equity)
Mr. Lovelish Solanki	MMS (Finance), BMS (Finance)	Fund Manager and Dealer (Equity)
Ms. Krina Mehta	B.M.S (Finance), M.M.S (Finance)	Fund Manager and Dealer (Equity)
Mr. Rohit Karan	PGDM, IIM Ahmedabad, Bachelor of Technology, IIT Kanpur	Fund Manager and Dealer

Investment Process and Recording of Investment Decision

The AMC through its various policies and procedures defines prudential and concentration limits to de-risk the portfolio. The investment management team is allowed full discretion to make sale and purchase decisions within the limits established. The responsibility for the investment decisions is with the fund managers and the CEO of the AMC does not have any role in the day to day decision making process. All the decisions will be recorded along with their justifications. The AMC and Trustee will review the performance of the scheme in their Board meetings. The performance would be compared with the performance of the benchmark index and with peer group in the industry.

Other Activities of ABSLAMC

1. Aditya Birla Sun Life AMC Limited is registered with SEBI vide Registration Certificate no. PM/INP000000597 dated March 1, 2002 to act as Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1993.
2. Aditya Birla Sun Life AMC Limited is also appointed as an investment manager to the Venture Capital Fund- Aditya Birla Real Estate Fund (bearing Registration No. IN/VCF/09-10/169 dated February 26, 2010) registered with SEBI under the SEBI (Venture Capital Funds) Regulations, 1996.
3. SEBI vide its letters dated August 20, 2009 having reference no. IMD/SM/174044/2009 and August 16, 2010 having reference no. IMD/SM/16522/10 granted its no-objection to ABSLAMC to set up wholly owned subsidiaries, namely; Aditya Birla Sun Life Asset Management Company Pte Ltd., incorporated in the Republic of Singapore under the Companies Act, Cap. 50 bearing license no CMSI00176-l; Aditya Birla Asset Management Company Ltd., incorporated in Dubai under the Companies Law, DIFC Law no.2 of 2009 bearing registration no. 0993, for undertaking fund management services, investment advisory services, distribution of financial products or any such permissible activity subject to SEBI (Mutual Funds) Regulations, 1996. Further, its subsidiary company, Aditya Birla Sun Life AMC (Mauritius) Limited (erstwhile Birla Sun Life AMC (Mauritius) Limited),

is registered with Financial Service Commission and acts as Investment Manager to India Advantage Fund Limited, a Collective Investment Company set-up in Mauritius having license no. OC96002833 under approval of SEBI vide its letter dated April 18, 1996 having reference no. IIMARP/1108/96.

4. Further, the Company has also received SEBI registration for Alternative Investment Fund (AIFs) Category III namely 'Aditya Birla Sun Life AIF Trust – I' under registration code IN/AIF3/17-18/0319 dated April 11, 2017 and AIF Category II namely 'Aditya Birla Sun Life AIF Trust – II' under registration code IN/AIF2/17-18/0513 dated January 19, 2018.
5. Pursuant to the no-objection from SEBI vide its email dated July 15, 2020, ABSLAMC will offer non-binding Investment Advisory Services (including credit research) to Funds/Schemes managed by Aditya Birla Sun Life Asset Management Company Pte. Limited, a wholly owned subsidiary of ABSLAMC incorporated in Singapore. While undertaking the aforesaid business activity, ABSLAMC will ensure that (i) There is no conflict of interest with the activities of the Fund; (ii) Interest of the Unit holder(s) of the Schemes of the Fund are protected at all times; and (iii) This business activity is in Compliance with the provisions of Regulation 24(b) of SEBI (Mutual Funds) Regulations, 1996 and relevant circulars issued in this regard from time to time.
6. Pursuant to the no-objection from SEBI vide its letter dated October 23, 2025 and subsequent approval from International Financial Services Centres Authority ("IFSCA") on March 23, 2026, ABSLAMC acts as a "Registered Fund Management Entity (Retail)" and is engaged in managing offshore and global investment strategies, including Alternative Investment Fund ('AIF') and Portfolio Management Services (PMS) activities through its wholly owned subsidiary office in Gujarat International Finance Tec-City (GIFT City).

These activities are being undertaken in compliance with the provisions of Regulation 24(b) of SEBI (Mutual Funds) Regulations and such other applicable regulations and there is no conflict of interest.

III. Service providers

1. The Custodian

Citibank, N.A., located at First International Financial Centre (FIFC), 9th Floor, Plot Nos. C54 and C55, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051, India, has been appointed as the custodian of the securities that are bought and sold under all the Schemes (except Aditya Birla Sun Life Gold ETF and Aditya Birla Sun Life Silver ETF). The custodian is registered with SEBI under registration number IN/CUS/004.

Deutsche Bank AG, India, having its Registered Office located at India Corporate Office, DB House, Hazarimal Somani Marg, Fort, Mumbai, 400001, has been appointed as the custodian for all the investments made by Aditya Birla Sun Life Gold ETF, an open ended Gold Exchange Traded Fund i.e. for Physical gold and Aditya Birla Sun Life Silver ETF, an open ended exchange traded fund tracking physical price of Silver. The custodian is registered with SEBI under registration number IN/CUS/003.

Orbis Financial Corporation Ltd, 4A, Ocus Technopolis, Sector-54, Golf Club Road, Gurgaon, Haryana- 122002 has been appointed as the custodian for the investments made by Aditya Birla Sun Life Silver ETF, an open ended exchange traded fund tracking physical price of Silver. The custodian is registered with SEBI under registration number IN/CUS/020.

For Derivative transactions:

ICICI Bank Limited having its office at ICICI Tower, Bandra Kurla Complex, Mumbai – 400 061 is registered with SEBI as custodian vide registration number - INF231134746.

Kotak Mahindra Bank Limited having its office at Capital Market Business, 3rd Floor, Plot No C-27 , G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 is registered with SEBI as custodian vide registration number - INZ000276847.

Registrar and Transfer Agents

ABSLAMC has appointed Computer Age Management Services Limited (CAMS) having its Corporate Office & Operations Center at Rayala Towers, 158, Anna Salai, Chennai – 600002 to act as Registrar and Transfer Agents (“The Registrar”) to the Schemes. The Registrar is registered with SEBI under registration number INR 000002813. The Board of Directors of ABSLAMC and the Trustees have satisfied themselves, after undertaking appropriate due diligence measures, that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching statement of accounts to unitholders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

2. Statutory Auditors

M/s Deloitte Haskins & Sells LLP

27th - 32nd Floor, Tower 3, One International Center, Elphinstone (W), Mumbai – 400 013.

3. Legal Counsel

IC RegFin Legal Partners LLP

Suite 3, 12th Floor, E Wing, Times Square Building, Marol, Andheri (East), Mumbai – 400 059

4. Fund Accountants

Citibank N.A

First International Financial Centre (FIFC), 9th Floor, Plot Nos. C54 and C55, G Block, Bandra Kurla Complex Bandra East, Mumbai - 400 098

5. Collecting Bankers

Name	Registered Office Address	SEBI Registration No.
HDFC Bank	HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	INBI00000063
Citi Bank	First International Finance Centre (FIFC), 9th Floor, Plot No. C54/55, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 098	INBI00000037
Standard Chartered Bank	23-25 M.G. Road, Fort, Mumbai – 400 001	INBI00000885

The above list is indicative and not exhaustive. The ABSLAMC reserves the right to change / modify the list of collecting Bankers.

IV. Condensed financial information (CFI) for all the investment strategies launched by SIF during the last three fiscal years (excluding redeemed investment strategies) in the format given below:

Not Applicable as no strategies are launched yet.

V. RISK FACTORS

1. Standard Risk Factors

- Investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. There can be no assurance or guarantee that the objectives of the Strategy will be achieved. Investment in SIF 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 strategy invests fluctuates, the value of your investment

in the strategy may go up or down depending on the various factors and forces affecting capital markets and money markets.

- Past performance of the Sponsor / AMC / Mutual Fund/ SIF does not guarantee future performance of the Strategies and may not necessarily provide a basis of comparison with other investments.
- The name of the Strategy does not indicate either the quality of the Strategy or its future prospects and returns.
- The Sponsors are not responsible or liable for any loss resulting from the operation of the strategies beyond the initial contribution of Rs.1,00,000 made by it towards setting up the Fund.
- The Mutual Fund is not assuring any IDCW nor is it assuring that it will make any IDCW distributions. All IDCW distributions are subject to the availability of distributable surplus and would depend on the performance of the scheme.

2. Risk factors of not maintaining average AUM of Rs. 100 crore on half yearly rolling basis (Applicable only for open ended debt oriented strategies):

Open ended debt oriented strategies shall maintain an average AUM of Rs. 20 crore on half yearly rolling basis. In case, the average AUM falls below Rs. 20 crore, the AMC shall scale up the AUM of such Scheme within a period of six months so as to maintain the average AUM of Rs. 20 crore on half yearly rolling basis, failing which the Scheme shall be wound up in accordance with the provisions of Regulation 39 (2) (c) of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

3. Risk associated with investment in derivatives and different derivative strategies:

- As and when any strategy trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. 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. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.
- The options buyer’s risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.
- The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.
- Risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

4. Risks associated with Writing of Covered Call Options:

- Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however, the downside depends upon the increase in value of the underlying equity shares.
- The Strategy may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the strategy may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the strategy may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.
- The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the strategy would be at a loss.
- The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the strategy.

5. Risks Factors Associated with Creation of Segregated Portfolio:

Different types of securities in which the strategy would invest carry different levels and types of risk as given in the Investment Strategy Information Document of the Strategy. In addition to the same, unitholders are requested to also note the following risks with respect to Segregated Portfolio:

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 Segregated Strategy's assets. This may more importantly affect the 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. This may impact the NAV of the segregated portfolio and could result into potential loss to the Unit holders.

Credit risk: The strategy's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further, even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated. Investment in unrated securities may be riskier compared to investment in rated instruments due to non-availability of third party assessment on the repayment capability of the issuer. As the securities are unrated an independent opinion of the rating agency on the repayment capability of the issuer will not be available. The issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. This may impact the NAV of the segregated portfolio and resultant loss to the Unit holders.

Listing of units: 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.

6. Risks associated with Securities Lending and Borrowing:

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

portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lenders of securities i.e. the Strategy and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Strategies may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

7. Stress testing:

In accordance with SEBI circular and AMFI guidelines (issued from time to time), the AMC carries out stress testing for all open ended debt strategies as prescribed by SEBI and AMFI from time to time. Stress testing covers the impact on the strategy NAV on account of interest rate risk, credit risk and liquidity risk.

8. Backstop Facility in Form of Investment in Corporate Debt Market Development Fund (CDMDF):

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF strategies) and sell as markets recover. CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus, this backstop facility will help fund managers of the aforementioned Strategies to better generate liquidity during market dislocation to help the strategy fulfill liquidity obligations under stress situation. In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023, on Investment by Mutual Fund Schemes in units of Corporate Debt Market Development Fund, the aforementioned strategies shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of strategy AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

Investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

Special Considerations

- Changes in Government Policy in general and changes in tax benefits applicable to mutual funds may impact the returns to investors in the Strategy. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Strategy will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his / her own professional tax advisor.
- The NAV of the strategy may be affected by changes in the general market conditions, factors and forces affecting capital market in particular, level of interest rates, various market related factors, settlement periods and transfer procedures.
- A Unitholder may invest in the strategy and acquire a substantial portion of the strategy units. The repurchase of units by the Unitholder may have an adverse impact on the units of the strategies, because the timing of such repurchase may

- impact the ability of other Unit holders to repurchase their units.
- Mutual Funds are vehicles of securities investments that are subject to market and other risks and there can be no guarantee against loss resulting from investing in the Strategy. The various factors that impact the value of the Strategy' investments include, but are not restricted to, fluctuations in the bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes etc.
 - The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Strategy is wound up for the reasons and in the manner provided in Statement of Additional Information (SAI) / Investment Strategy Information Document.
 - Redemptions due to change in the fundamental attributes of the Strategy or due to any other reasons may entail tax consequences. The Trustees, the Mutual Fund, the AMC, their directors or their employees shall not be liable for any tax consequences that may arise.
 - From time to time, funds managed by the associates of the Sponsor may invest either directly or indirectly in the Strategy. The funds managed by these associates may acquire a substantial portion of the Strategy's Units and collectively constitute a major investment in the Strategy. Accordingly, Redemption of Units held by such funds may have an adverse impact on the value of the Units of the Strategy because of the timing of any such Redemption and may affect the ability of other Unit Holders to redeem their respective Units.
 - There is no guarantee or assurance on the frequency or quantum of IDCW, which shall be subject to availability of distributable surplus.
 - Growth, appreciation, IDCW, bonus, income etc. if any, referred to in this Document are subject to the tax laws and other fiscal enactments as they exist from time to time.
 - The Product labeling mandated by SEBI is to provide investors an easy understanding of the risk involved in the kind of product / strategy they are investing to meet their financial goals. The Riskometer categorizes the strategies of Fund under different levels of risk based on the respective strategy's investment objective, asset allocation pattern, investment strategy and typical investment time horizon of investors. Therefore, the strategy falling under the same level of risk in the Riskometer may not be similar in nature. Investors are advised before investing to evaluate a strategy not only on the basis of the Product labeling (including the Riskometer) but also on other quantitative and qualitative factors such as performance, portfolio, fund managers, asset manager, etc. and shall also consult their financial advisers, if they are unsure about the suitability of the strategy before investing. Further, as per para 17.4.1. of SEBI Master Circular on Mutual Funds dated June 27, 2024, Riskometer shall be evaluated on a monthly basis and Mutual Funds/AMCs shall disclose the Riskometer along with portfolio disclosure for their strategies on their website and on AMFI website within 10 days from the close of each month. Mutual Funds shall also disclose the risk level of strategys as on March 31 of every year, along with number of times the risk level has changed over the year, on their website and AMFI website. The AMC and its Registrar reserve the right to disclose/share investors' personal information with the following third parties:
 - Distributors or Sub-brokers through whom applications of investors are received for the Strategy; or
 - Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.

Account statements or financial information pertaining to the investor, if it is to be sent over the internet to the Unitholder, distributors or any other entity as indicated above, will be sent only through a secure means and / or through encrypted electronic mail.

- The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers/ its agents, as may be necessary for the purpose of effecting payments to the investor. Further, the Mutual Fund may disclose details of the investor's account and transactions thereunder to any Regulatory/Statutory entities as per the provisions of law.
- In respect of transaction in Units of the Strategy through Stock Exchange Platform for Mutual Funds, allotment and redemption of Units on any Business Day will depend upon the order processing/ settlement by respective stock

- exchanges and their respective clearing corporations on which the Fund has no control.
- Investors should study this Strategy Information Document carefully in its entirety and should not construe the contents hereof as advice relating to legal, taxation, investment or any other matters. Investors may, if they wish consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/redeem Units.
 - Neither this Document nor the Units have been registered in any jurisdiction. The distribution of this Document in certain jurisdictions may be restricted or totally prohibited due to registration requirements and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions and or legal compliance requirements.
 - No person has been authorized to issue any advertisement or to give any information or to make any representations other than that contained in this Document. Circulars in connection with this offering not authorized by the Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund.

VI. HOW TO APPLY?

This section must be read in conjunction with the section ‘Units and Offer’ of the ISID of the respective Strategy(s) of the Fund:

1. The application form for the subscription of units of the Strategy will be available / accepted at the office of the Investor Service Centres (ISCs) during Business Hours on all Business Days. The same can also be downloaded from the website of the SIF - <https://apexsif.adityabirlacapital.com/>
2. Applications must be completed in BLOCK LETTERS in English.
3. In case the Strategy name as provided by investor on the application form or transaction slip and on the payment instrument are different, the application shall be processed and units allotted at Applicable NAV of the Strategy as mentioned in the application / transaction slip duly signed by investor, provided that the application is valid and complete in all other aspects.
4. The signature should be in English or in any of the Indian languages specified in the eighth schedule of the Constitution of India. Thumb Impressions must be attested by a magistrate or a notary public or a special executive magistrate under his/her official seal. Applications by minors should be signed by the guardians. In case of HUF, the Karta should sign on behalf of the HUF.
5. All cheques/ NEFT /RTGS/FT must be drawn in favour of “Strategy Name” and crossed “Account Payee Only”. A separate cheque must accompany each application/each Strategy. In case of CAF / SIP with multiple strategy selection option, a single cheque of total amount would be accepted.

Safe mode of writing cheques:

In order to prevent frauds and misuse of payment instruments, the investors are strongly recommended to make the payment instrument (cheque, etc.) favouring either of the following (Investors are urged to follow the order of preference in making the payment instrument favouring as under):

- **“XYZ Strategy A/c Permanent Account Number of First Investor”**. For example “APEX Hybrid Long Short Fund A/c ABCDE1234F”
- **“XYZ Strategy A/c First Investor Name”**. For example “APEX Hybrid Long Short Fund A/c Vanraj Gandhi”
- **“XYZ Strategy A/c Folio No. of First Investor”**. For example “APEX Hybrid Long Short Fund A/c 123456789”
Investors must write the Existing Folio No. / Application Form number on the reverse of the cheques accompanying the Application Form.

If investor is opting for multiple strategies cheque should be submitted, crossed “Account Payee only” and drawn favoring “APEX SIF”.

Note: Investors already holding a folio in APEX SIF can provide their existing Folio Number and Name of applicants(s)

corresponding to the said folio in the relevant section of the application form. It is the responsibility of the Investor to ensure correctness of such details provided. The personal details and Bank Account details as registered in the existing folio number, as provided, would apply to the subscriptions / investments being made and the registered details would prevail over any conflicting information furnished in the application form. The AMC reserves the right to assign any of the existing Folio Number of the investor against multiple applications and / or subsequent purchases under the new application form lodged, with identical mode of holding and address and such other criteria and integrity checks as may be determined by the AMC from time to time.

6. The application complete in all respects along with the payment instrument must be submitted to the nearest designated Investor Service Centre. Applications incomplete in any respect or not accompanied by payment instrument of the amount payable are liable to be rejected and the money paid will be refunded without interest.
7. Investment in Direct Plan: Investors applying under Direct Plan, are advised to write the word 'DIRECT' in the column 'ARN No' or 'Broker Code' in their applications for purchases/additional purchases/switches in all such cases where applications are not routed through any distributor/agent/broker. In cases where unit holder uses a pre-printed transaction slip/application form where details in the 'ARN No' or 'Broker Code' column is already printed, unit holder should cancel the ARN No/ Broker Code, write 'DIRECT' in the said column. **Also, in case ARN No/ Broker Code is mentioned in the application form, but "Direct Plan" is indicated, the ARN No/ Broker Code will be ignored, and the application will be processed under Direct Plan, subject to it being complete in all other aspects. Further, where application is received for Regular Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan. For details on default Plan/ Option, Investors are requested to refer to respective Investment Strategy Information Document / Key Information Memorandum of the Strategies of APEX SIF.**
8. Employee Unique Identification Number (EUID) is a unique number allotted to Sales personnel i.e. employee/relationship manager/ sales person of the distributor interacting with the investor for the sale of SIF products. Such sales personnel associated with Distributor, should also be holding a valid NISM certificate. **Thus, in case of applications routed through distributors, in addition to the AMFI Registration Number (ARN) of the distributor, Investors are requested to also provide the EUID of the individual ARN holder or of employee/relationship manager/sale person of the Distributor interacting with the investor.** Providing appropriate EUID in the application/transaction forms would assist in tackling the problem of mis-selling even if the Sales personnel on whose advice the transaction was executed by investor leaves the employment of the distributor or his/her sub broker. If the distributor has not given any advice pertaining to the investment (i.e. transaction is 'execution only'), then the EUID box may be left blank, but it would be mandatory for the investor to provide confirmation as mentioned in the application form.
9. As per SEBI circular SEBI/HO/MIRSD/MIRSDSECFATF/P /CIR/2023/091 dated June 16, 2023, in case of non-individual applicants/investors, it will be mandatory to provide the details on 'Ultimate Beneficial Owner(s) (UBO(s))' by filling up the declaration form for 'Ultimate Beneficial Ownership'. Please contact the nearest Investor Service Centre (ISC) or visit our website <https://apexsif.adityabirlacapital.com/> for the Declaration Form. UBO should be KYC compliant.
If no individual person (directly / indirectly) holds the defined controlling ownership, details of the individual who holds the position of Senior Managing Official (SMO) to be declared with additional details. UBO or SMO information is not applicable for Listed Company or its associate / subsidiary company.
For "Non-profit organization" means, constituted for religious or charitable purposes referred to in clause (15) of section 2 of the Income-tax Act, 1961 (43 of 1961), that is registered as a trust or a society under the Societies Registration Act, 1860 (21 of 1860) or any similar State legislation or a Company registered under the section 8 of the Companies Act, 2013 (18 of 2013);"
All applicable Trusts/Societies/Section 25/Section 8 companies should submit the NPO declaration form for registration with RTA/MF.
All NPOs are mandated to register themselves in DARPAN portal of NITI Aayog - <https://ngodarpan.gov.in/>.
10. All applicable Trusts/Societies/Section 8 companies should register themselves suitably and submission of declaration along with NPO registration number allotted by DARPAN portal to MF/RTA is mandatory for all new folios else it might

result in transaction rejection. All applicable Trusts/Societies/Section 25/ Other Trusts/Societies who do not fall under the new NPO definition should confirm that they are not falling under the referred NPO definition.

11. Investors may undertake transactions viz. purchase / redemption / switch through the online/electronic modes/ sources like its official website - <https://apexsif.adityabirlacapital.com/>, mobile handsets, etc. and may also submit transactions in electronic mode offered by specified banks, financial institutions, distributors etc., with whom AMC has entered or may enter into specific arrangements including through secured internet sites operated by CAMS. Accordingly, the servers (maintained at various locations) of the AMC and CAMS will be the official point of acceptance for all such online / electronic transaction facilities offered by the AMC.
12. Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by the Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @ 0.005% of the transaction value would be levied on allotment of SIF units including units allotted in demat mode. Accordingly, pursuant to levy of stamp duty, the number of units allotted on subscriptions (including reinvestment of IDCW) to the unitholders would be reduced to that extent.
13. Bank Details: To protect the interest of investors from fraudulent encashment of cheques, the current SEBI Regulations have made it mandatory for investors to mention in their application / Redemption request, the bank name and account number. Applications without these details will be rejected.
14. In an endeavour to protect the investors from possible fraudulent activities, the AMC may require the investors to submit such documents as may be deemed necessary or appropriate from time to time, for verification and validation of the bank account details furnished by the investors. The AMC reserves the right to deny the request for registration of a bank account for the investor's Folio in case the investor fails to submit the necessary document to the satisfaction of the AMC. Further, unitholders (except investors holding/intending to hold units in electronic (demat) mode) are free to change their bank details registered with the APEX SIF (SIF) subject to adherence with the following procedure:

Request for Change in Bank Mandate should be submitted in the prescribed format (available at Investor Service Centre (ISC) of Mutual Fund and also on the website <https://apexsif.adityabirlacapital.com/> along with anyone of the following documents of New Bank Mandate:

1. Change of bank mandate request should be submitted along with any one of the below mentioned documents:
 - A. "Cancelled" original personalised cheque leaf** (bearing account number and first named unitholder on the face of the cheque) for both OLD and NEW bank. Unit holders should without fail cancel the cheque and write 'Cancelled' on the face of it to prevent any possible misuse.
 - B. Pass Book with current entries not older than 3 months having the name and address of the first unit holder and account number for both OLD and NEW bank.

Note: Unit holders are requested to submit the above documents for New Bank Mandate in Original at any of the Investor Service Centre (ISC) of Mutual Fund.

- i. Self-attested copy(ies) of the above documents in (A) or (B) may be accepted only at AMC branches, provided if originals are produced for physical verification, in which case the original documents will be returned across the counter after due verification.
- ii. In case of investor not having the old bank proof, IPV (In Person Verification) is the only option that can be done.
- iii. AMC / SIF reserves the right to carry out additional/alternate validations to ascertain authenticity of change of bank mandate request.

iv. For Individual investor, If the Old bank cheque or Passbook is not available the investor should come in Person to the branch for IPV and fill the form and submit PAN card which should be verified with our records. The signature should also be matched with the PAN card. The employee doing the IPV should mention his details such as Name, Signature and other details (Mentioned in the form)

If the PAN card is not available than any Photo ID and Address proof should be provided which is registered in the Folio. If proof has any other address, then it cannot be accepted.

v. In the event of a request for change in bank account mandate being invalid / incomplete / not satisfactory in any respect /or not meeting any requirements to the satisfaction of the AMC/SIF, the request for such change may not be processed. Redemptions / Income Distribution cum capital withdrawal option payments, if any, will be processed and paid to the last registered bank account information. AMC/SIF will not be liable in case the redemption / Income Distribution cum capital withdrawal option proceeds are credited to existing bank mandate account upon rejection of change of bank mandate request.

vi. Any valid request for bank account mandate will be considered at folio level. Unitholders may note that it is desirable to submit their requests for change in bank details atleast 7 (seven) days prior to date of redemption/Income Distribution cum capital withdrawal option payment, if any, and ensure that the request for change in bank mandate has been processed before submitting the redemption request. If change in bank mandate has not been processed, payment will be made in the existing bank account registered in the folio. Any unregistered bank account or a new bank account mentioned by the Unit holder along with the redemption request may not be considered for payment of redemption/Income Distribution cum capital withdrawal option proceeds.

vii. In case there is more than one bank registered in the folio then the investor can provide bank proof for any one bank which is registered with us.

viii. Change of Bank Request cannot be combined with any other Financial Transaction till the cooling period of 7 days.

The bank account validation of the investor would be carried out by RTA/AMC as per the SEBI circular SEBI/HO/OW/IMD/IMD-SEC1P/2024/5741/1 dated February 9, 2024.

Bank mandate registration submitted along with Fresh Purchase Application:

For all fresh purchase applications made by means of a cheque, where the bank account on which the cheque is drawn for purchase of units differs from the bank account mandate details provided in the application form, investors are requested to submit any of the aforesaid documents in (1), (2) or (3) for the bank mandate account as above. This condition is also applicable to all purchase/subscription transactions made by means of a / NEFT / RTGS or any other payment mode. In case the application does not comply with the above provisions, AMC/SIF retains the sole and absolute discretion to reject/not process such application and shall not be liable for any such rejection.

15. Demat Details:

(a) Where the Units under the strategy is proposed to be listed on any recognised stock exchange, unitholders may opt to hold the units in electronic (demat) mode, as provided. The applicant intending to hold units in electronic (demat) form will be required to have beneficiary account with a Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate the required details in the application form. If the details mentioned in this application (other than ASBA Applications) are found to be incomplete / incorrect or not matching with the depository records, the application shall be treated as application for physical (non- demat) mode and accordingly units will be allotted in physical (non-demat) mode. Hence it is preferred to provide CML (Client Master List) for the respective DPID mentioned on the application form to avoid rejections. Unitholders who have opted to hold and thereby allotted units

in electronic (demat) form will receive payment of redemption / IDCW proceeds into bank account linked to their Demat account. For conversion of physical holdings into electronic (demat) form, the unit holders will have to send the dematerialisation requests to their Depository Participants.

- (b) Option to hold Units in dematerialized (demat) form: Investors have an option to subscribe to/hold units of Strategy(s)/Plan(s) in electronic (demat) form.

Consequently, the Unitholders under the Strategy(s)/Plan(s) shall have an option to subscribe to/ hold the units in electronic (demat) form in accordance with the provisions laid under the respective Strategy(s)/Plan(s) and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. Units under Plan(s)/Option(s) of all Strategies of SIF with IDCW distribution of daily, weekly or fortnightly frequency, as defined under respective Investment Strategy Information Document, shall be available in physical (non-demat) mode only. Under this option, units will be allotted based on the applicable NAV as per provisions of respective Investment Strategy Information Document(s) and will be credited to demat account of the investors on weekly basis (upon realisation of funds). Also, various Special Products/Facilities such as Systematic Withdrawal Plan, Systematic Transfer Plan, Switching, etc. offered by ABSLAMC/SIF shall be available for Unitholders in case the units are held/opted to be held in physical (non-demat) mode.

The allotment of units in demat form shall be subject in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time.

Investors intending to hold units in electronic (demat) form will be required to have beneficiary account with a Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate, in the application form, the DP's name, DP ID Number and the Beneficiary account number of the applicant held with the DP at the time of subscribing to the units. Applicants must ensure that the sequence of the names as mentioned in the application form matches with that of the beneficiary account held with the DP. Names, PAN details, KYC details etc. mentioned in the Application Form will be verified against the Depository records. If the details mentioned in the application form are found to be incomplete / incorrect or not matching with the depository records, the application shall be treated as application for physical (non-demat) mode and accordingly units will be allotted in physical (non-demat) mode, subject to it being complete in all other aspects. Unitholders who have opted to hold and thereby allotted units in electronic (demat) form will receive payment of redemption / IDCW proceeds into bank account linked to their Demat account.

Units held in electronic (demat) form will be transferable subject to the provisions laid under the respective Strategy(s)/Plan(s) and in accordance with provisions of SEBI (Depositories and Participants) Regulations, 2018 and the SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time. Transfer of units will be subject to payment of applicable stamp duty by the Unitholder(s).

In case, the Unitholder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in physical (non-demat) mode into electronic (demat) form or vice-versa should be submitted along with a Demat/Remat Request Form to their Depository Participant(s). Investors should ensure that the combination of names in the account statement is the same as that in the demat account.

16. Permanent Account Number (PAN):

It is compulsory for all investors to quote their valid PAN details irrespective of the amount of investment, while making an application for Purchase of Units. In case of joint applicants, PAN details of all applicants should be submitted. In case the investor making the application is a minor, PAN details of the Guardian, must be submitted. Investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN proof submission, however sufficient documentary evidence shall have to be submitted to APEX SIF for verifying that they are residents of State of Sikkim. Applications without valid PAN in IT database are liable to be rejected without any reference to the investors.

17. Know Your Customer (KYC):

According to guidelines issued by SEBI under 'The Prevention of Money Laundering Act, 2002', Mutual Funds are

required to follow enhanced Know Your Customer (KYC) norms. Investors can visit branches of ABSLAMC or may visit <https://apexsif.adityabirlacapital.com/>, www.amfiindia.com and www.cdslindia.com to know detailed procedure for KYC compliance.

Applications without KYC Acknowledgement letter for any category of investor are liable to be rejected. Provided further, where it is not possible to verify the KYC compliance status of the investor at the time of allotment of units, ABSLAMC shall verify the KYC compliance status of the investor within a reasonable time after the allotment of units. In the event of non-compliance of KYC requirements, ABSLAMC reserves the right to freeze the folio of the investor(s) for any kind of transactions or affect mandatory redemption of unit holdings of the investors at the applicable NAV, subject to payment of exit load, if any. Investors should note that on completion of KYC Compliance all details of the investor in the Mutual Fund records will be replaced by the details as given in KYC Application Form by the investor. Any change in these details like change of Name / Address / Status /Signature, etc. should be given by Investor directly in the prescribed manner. Investors should mandatorily provide additional KYC information such as Income details, occupation, Net worth etc. as mentioned in the 'Part II of the Account Opening Form' at the time of creation of new folio / account. The Application Form(s) are available at the Investor Service Centres of Aditya Birla Sun Life AMC Limited and on the website of the Fund. For "KYC-On Hold" cases, investors need to submit missing information or update pending KYC related information with the Fund / Registrar and Transfer Agent / KYC Registration Agency to enable the Fund / AMC to process valid purchase / additional purchase / switch transactions request in the Strategies of the Fund.

- SEBI has introduced a common KYC Application Form for all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock-Brokers, Venture Capital Funds, Collective Investment Schemes, etc. New Investors are therefore requested to use the common KYC Application Form and carry out the KYC process including In- Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The KYC Application Forms are also available on our website <https://apexsif.adityabirlacapital.com/>.
- The SIF shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The SIF shall upload the details of the investors on the system of the KYC Registration Agency (KRA). Registrar & Transfer Agent (RTA) of the SIF may also undertake the KYC of the investors on behalf of the SIF. KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the SIF, confirming the details thereof.
- Effective 1st April 2024, for the Investors with KYC status as "Registered", are required to do a Re-KYC in case if they want to transact with another Mutual Fund for the first time. NRI Investors are exempted from this regulation.
- Investor with the KYC status as "Validated" can transact with any Mutual Fund without undergoing re-KYC.
- Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor.
- It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its new investors. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund in case of KYC status of new investor is validated. ABSLAMC and NISM/AMFI certified distributors who are KYD compliant are authorized to undertake the IPV for Mutual Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.
- Investors are requested to note that pursuant to the notification issued by Government of India dated February 13, 2019 to amend the Prevention of Money laundering (Maintenance of Records) Rules, 2005 and dated March 02, 2019 to amend Aadhaar Act, 2016, the requirement for submission of Aadhaar and its relevant authentication process has been dispensed in respect of the mutual fund folios / accounts. Aadhaar holder can submit their Aadhaar card copy as a proof of identity and proof of address, provided the investor redact or blackout the Aadhaar number before submission, however Aadhaar number cannot be stored or shared. This requirement is in addition to the Passport & other Officially Valid Documents (OVDs) prescribed by PMLA rules from time to time, that can be obtained from the customer as proof of identity or address.

- Investors are further requested to note that pursuant to SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020, with a view to allow ease of doing business in the securities market, the following technological innovations can be used by the SEBI registered intermediary (“RI”) which can facilitate online KYC:

1. eSign service is an online electronic signature service that can facilitate an Aadhaar holder to forward the document after digitally signing the same. eSign mechanism of Aadhaar shall be accepted in lieu of wet signature on the documents provided by the investor. Even the cropped signature affixed on the online KYC form under eSign shall also be accepted as a valid signature.

2. To enable the Online KYC process, investor’s KYC can be completed through online / App based KYC, in-person verification through video, online submission of Officially Valid Document (OVD) / other documents under eSign in the manner as mentioned in the Circular.

- Aadhaar is verified through UIDAI’s authentication / verification mechanism. Further, where the authentication of Aadhaar number is not required under sub-rule (15) the requirement of redacting or blacking out his Aadhaar number, where the investor submits his Aadhaar number, remains unchanged.

- SEBI registered intermediary (“RI”) shall not store/ save the Aadhaar number of investor in their system.

- In terms of SEBI circular No. CIR/MIRSD/29/2016 dated January 22, 2016 the usage of Aadhaar is optional and purely on a voluntary basis by the investor.

1. PML Rules allows an investor to submit other OVD instead of PAN, however, in terms of SEBI circular No. MRD/DoP/Cir- 05/2007 dated April 27, 2007, the requirement of mandatory submission of PAN by the investors for transaction in the securities market shall continue to apply.

2. In order to ease the IPV process for KYC, the said SEBI circular pertaining to IPV stands modified as under:

- IPV/ VIPV would not be required when the KYC of the investor is completed using the Aadhaar authentication / verification of UIDAI;
- IPV / VIPV shall not be required by the RI when the KYC form has been submitted online, documents have been provided through digiLocker or any other source which could be verified online.

1. Features for online KYC App of the RI

- RI may implement their own Application (App) for undertaking online KYC of investors.
- RI shall ensure that the process is a seamless, real-time, secured, end-to-end encrypted audio-visual interaction with the customer and the quality of the communication is adequate to allow identification of the customer beyond doubt.
- The RI shall before rolling out and periodically, carry out software and security audit and validation of their App.

1. Feature for Video in Person Verification (VIPV) for Individuals - To enable ease of completing IPV of an investor, intermediary may undertake the VIPV of an individual investor through their App as per the process mentioned in the Circular.

18. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) on Automatic Exchange of Information (AEOI):

The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. On similar lines the Organization of Economic Development (OECD) along with G-20 countries has released a ‘Standard for Automatic Exchange of Financial Account Information in Tax Matters’ commonly known as Common Reporting Standard (‘CRS’). India is signatory to the Multilateral Competent Authority Agreement (MCAA) for the purposes of CRS. Under FATCA/CRS provisions, Financial Institutions are obligated to obtain information about the financial

accounts maintained by investors and report to the local Government/ notified tax authorities. In accordance with FATCA and CRS provisions, the AMC / Mutual Fund is required to undertake due diligence process and identify foreign reportable accounts and collect such information / documentary evidences of the FATCA/CRS status of its investors / Unit holders and disclose such FATCA/CRS due diligence will be directed at each investor / Unit holder (including joint investor/Unitholder) and on being identified as a reportable 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 comply with the request of the AMC / Mutual Fund to furnish such information as and when sought by the AMC for the AMC / Mutual Fund to comply with the information reporting requirements stated in IGA/MCAA and circulars issued by SEBI / AMFI in this regard. The information disclosed may include (but is not limited to) the identity of the investors/Unitholder(s) and their direct or indirect beneficiaries, beneficial owners and controlling persons. Investors / Unitholders should consult their own tax advisors regarding FATCA/CRS requirements with respect to their own situation. Information (through its agents or service providers) as far as may be legally permitted about the holdings/ investment returns to US Internal Revenue Service (IRS)/any other foreign government or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS/ any other foreign government pursuant to the new reporting regime under FATCA/CRS.

The AMC/Mutual Fund reserves the right to reject any application/freeze any folio(s) held directly or beneficially for transactions in the event the applicant/Unitholder(s) fail to furnish the relevant information and/or documentation in accordance with FATCA/CRS provisions and as requested by the AMC/SIF.

Applications not complete in any respect are liable to be rejected. The AMC / Trustee retains the sole and absolute discretion to reject any application.

CENTRAL KYC RECORDS REGISTRY (CKYCR)

SEBI vide its circular no. CIR/MIRSD/ 66 /2016 dated July 21, 2016 read with SEBI circular no. CIR/MIRSD/120 /2016 dated November 10, 2016 had intimated the registered intermediaries about the operationalization of Central KYC Records Registry (CKYCR). Government of India, vide notification dated November 26, 2015, had authorized Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to act and perform the functions of the CKYCR including receiving, storing, safeguarding and retrieving the Know Your Customer (KYC) records of an investor in digital form. Also, AMFI vide its circular dated December 22, 2016 had issued guidelines for implementation of CKYC norms uniformly by all AMFI members i.e. Mutual Funds/Asset Management Companies Accordingly, the following norms shall be applicable:

1. An investor who is new to KYC Registration system and whose KYC is not registered or verified with any of the Agencies for KYC Registration (KRA) shall use the CKYC form to register their KYC;
2. An investor who has already completed CKYC and has a KYC Identification Number (KIN) from CKYCR, can invest in the schemes of Aditya Birla Sun Life Mutual Fund by quoting his 14 digit KIN and date of birth.

Registered intermediaries shall continue to upload/ download/ modify the KYC information with proper authentication on the systems of KRA, as per the provisions of SEBI KRA Regulations, 2011

KRAs shall upload the verified/ validated KYC information onto the system of CKYCRR within 7 days of receiving the same from intermediaries or any other timeline as notified under PML Rules. The KRAs shall integrate their systems with CKYCRR and commence the uploading of KYC records on CKYCRR from August 01, 2024.

TRANSACTIONS THROUGH MF UTILITY

MF Utility (“MFU”) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple investment strategies of various SIFs with a single form and a single payment instrument.

Aditya Birla Sun Life AMC Limited has entered into arrangement with MF Utilities India Private Limited (MFUI), a

“Category II - Registrar to an Issue” under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to facilitate financial transactions viz. purchase / subscription and redemption / repurchase of units of the strategy during the Specified Transaction Period(s) and non-financial transactions.

Accordingly, all financial and non-financial transactions for the strategy can be done through MFU either electronically on www.mfuonline.com as and when such a facility is made available by MFUI 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. Investors can refer the list of POS of MFUI available on the website of MFUI at www.mfuindia.com as may be updated from time to time. The Online Transaction Portal of MFU i.e. www.mfuonline.com and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance (“OPA”) of the ABSLAMC.

The uniform cut-off time as mentioned in the Investment Strategy Information Document(s)/Key Information Memorandum(s) of the schemes shall be applicable for applications received on the portal of MFUI i.e. www.mfuonline.com. However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, terms & conditions as stipulated by MFUI/Mutual Fund/SIF/the AMC from time to time and any law for the time being in force.

MFUI will allot a Common Account Number (“CAN”), a single reference number for all investments across all the Mutual Funds, for transacting in multiple strategies of various SIFs through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS. The AMC and/or its Registrar and Transfer Agent (RTA) i.e. Computer Age Management Services Pvt. Ltd (CAMS) shall provide necessary details to MFUI as may be needed for providing the required services to investors/ distributors through MFU. Investors are requested to visit the websites of MFUI at www.mfuindia.com or the AMC at www.https://apexsif.adityabirlacapital.com/ to download the relevant forms.

For facilitating transactions through MFU, Aditya Birla Sun Life Mutual Fund (Fund)/AMC/ APEX SIF may require to submit and disclose information/details about the investor(s) with MFUI and/or its authorised service providers. Investors transacting through MFU shall be deemed and consented and authorised the Fund/AMC to furnish and disclose all such information to MFUI and/its authorised service providers as may be required by MFUI from time to time.

For any queries or clarifications related to MFU, investors are requested to contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to clientservices@mfuindia.com

MF central

MFCentral platform enables a user-friendly digital interface for investors for execution of mutual fund transactions for all Mutual Funds in an integrated manner subject to applicable terms and conditions of the Platform. MFCentral is enabled for acceptance of financial and non-financial transactions. MFCentral can be accessed using <https://mfcentral.com/> and a Mobile App is available for ease of use.

Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service centres or collection centres of Kfintech or CAMS.

ONE TIME MANDATE (“OTM”) FACILITY:

OTM - One Time Mandate (‘Facility’) is a simple, convenient and paperless facility that enables the Unitholders to transact in the investment strategies of the SIF by submitting OTM - One Time Mandate registration form to the Fund.

Features / Scope of the Facility:

- It is a one - time registration process wherein the Unitholder(s) of the investment strategies of the Fund authorizes his banker to execute debits to his bank account upto a certain specified limit based per day on request received from ABSLAMC / the Fund as and when the transaction is undertaken by the Unitholder.
- This Facility is currently being made available to Resident Individuals (including guardians on behalf of minor) and Non Resident Individuals and Non-Individuals. However, ABSLAMC/ the Fund reserves the right to extend this Facility to other categories of Unitholder(s), at any time in future.
- This Facility is only available to Unitholder(s) of the Fund who have been assigned a folio number by ABSLAMC.
- This Facility enables Unitholder(s) of the Fund to execute purchase / additional purchase transactions in the Open-Ended strategies of the SIF.
- This Facility would enable for starting a Systematic Investment Plan (SIP) or lump sum investments in the Open- Ended strategies of the SIF by sending instructions indicating OTM usage for transaction through online or any other mode as enabled by ABSLAMC from time to time. Further, Unit Holders who are currently registered under SMS Transact facility will automatically get registered under this Facility.
- Registration of the facility or any deactivation thereof shall be carried out by the Fund/ABSLAMC within 30 days from the date of submission of valid written request at any Investor Service Centre of ABSLAMC by the Unitholder. ABSLAMC / the Fund shall not be liable for execution of OTM based transaction, if any, occurring between the period of submission of discontinuation request and registration of such deactivation within 5 business days of submission.

WEB BASED TRANSACTIONS

The Mutual Fund may allow subscriptions / Redemption of Units, during the period when the ongoing subscription list is opened by the Trustees, by electronic mode through the various websites with whom the AMC would have an arrangement from time to time. Normally, the subscription proceeds, when invested through this mode, are by way of direct credit to the designated bank collection account of the Scheme. The Redemption proceeds, (subject to deduction of tax at source, if any) through this mode, are directly credited to the bank account of the Investors who have an account at the designated banks with whom the AMC has made arrangements from time to time. The intermediary will aggregate the data and forward the same to the AMC / ISC for processing. Unit holders may request for bank account through this facility. These transactions will be converted into a physical piece of instructions and date/time stamped in accordance with the SEBI guidelines. The Fund, the AMC, the Trustee, alongwith its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the web-site or its non-use including non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information. The Fund may introduce a facility for distributors to transact on the web on behalf of their clients, provided the client has authorised the distributors to do so by executing a Power of Attorney in favour of the distributor for this purpose. It shall be the responsibility of the distributor, to ensure that the Power of Attorney is valid and subsisting to carry out the transaction.

Mode of Payment

Resident Investors / Non-Individuals:

Payment may be made by cheques (MICR only) drawn on any bank, which is situated at and is a member of the Bankers' Clearing House, located at the place where the application is submitted or funds transfer request or Real Time Gross Settlement (RTGS)/National Electronic Funds Transfer (NEFT) or such other mode, as may be specified/restricted and made available by AMC from time to time under respective Investment Strategy Information Document/ Key Information Memorandum cum application forms for any scheme.

- Further, investors may make payment by cheque payable locally in the city where the application form is submitted at the ABSLAMC Offices / Authorised Collection Centres.
- The cheque should be drawn on any bank which is situated at and is a member/sub member of the bankers clearing house.
- Payment through Money Orders, Non-CTS Outstation Cheques, Post Dated Cheques, Non-MICR Cheques, Postal Orders, Stock invest, Third Party payments will not be accepted.

- Para 14.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024, states an investor can subscribe to NFO through Applications Supported by Blocked Amount (ASBA) facility, a supplementary facility, in addition to existing facility through cheques/demand drafts or any other mode of electronic payment for subscribing to the units of scheme(s) during the NFO, by applying in the ASBA Application Form and following the procedure as prescribed in the form. For details **please refer to the Section "Applications Supported by Blocked Amount (ASBA) facility during New Fund Offer (NFO) of Schemes"**. Please note that ASBA facility is purely optional and not mandatory.

Process for Investments made in the name of a Minor through a Guardian:

- As per SEBI Circular No. SEBI/HO/IMD/POD-II/CIR/P/2023/0069 dated May 12, 2023, for fresh inflows; payment for investment by any other mode will be accepted from the bank account of the minor, parent, legal Guardian or from a joint account of the minor with parent or legal guardian.
- Existing unit holders are requested to review the Bank Account registered in the folio and ensure that the registered Bank Mandate is in favour of minor or jointly with registered guardian in the folio. If the registered Bank Account is not in favour of minor or not joint with registered guardian, kindly submit the change of bank mandate where minor is also a bank account holder (either single or joint with registered guardian).
- Upon the minor attaining the status of major, a request letter to change status to major shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account and the same shall be self-attested. No further transactions will be allowed till the status of the minor is changed to major.
- Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) on the basis of which, the standing instruction was issued will be suspended when the minor attains majority, till the status is changed to major.

“On Behalf of Minor” Accounts

1. The minor shall be the first and the sole holder in a folio. There shall not be any joint accounts with minor as the first or joint holder.
2. Guardian in the folio(s) on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
3. The information on the relationship/status of the guardian as father, mother or legal guardian will be mandatory.
4. In case of natural guardian, the documents evidencing the relationship will have to be submitted (if the same is not available as part of the documents submitted for proof of DOB).
5. In case of court appointed legal guardian- a notarized photocopy of the court order should be submitted along with the application.
6. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian
7. Date of birth of the minor along with photocopy of supporting documents as enumerated below shall be mandatory while opening the account on behalf of minor:
 - i) Birth certificate of the minor, or
 - ii) School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 - iii) Passport of the minor, or
 - iv) Any other suitable proof evidencing the date of birth of the minor.

Change of Guardian

1. An application for change in guardian of the minor unitholder in a standard / prescribed form, as per the format attached hereto along with PAN card copy and KYC acknowledgement of the new guardian and a cancelled cheque evidencing

- the change of guardian in respect of the minor's registered bank account with the new guardian's name.
2. A Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
 3. A copy of the Death Certificate of the deceased guardian, where applicable duly attested by a Notary Public or a Judicial Magistrate First Class (JMFC) or a Gazetted Officer. The attestation may also be done by authorised official of the AMC after verifying the original.
 4. The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian and the new guardian's name & signature should have been registered as the guardian with the minor's bankers in respect of the minor's bank account.
 5. AMCs shall invariably obtain the information regarding the relationship/ status of the guardian as father, mother or legal guardian in the application form.
 6. In case of natural guardian, AMC shall obtain a document evidencing the relationship with the minor, if the same is not available as part of the documents submitted as per 3 above.
 7. In the case of a court appointed legal guardian, a copy of the court order in respect of the appointment of Legal Guardian shall be obtained.
 8. In case of change in guardian with mutual consent between the parents, the signature of the new guardian shall be duly attested by the existing guardian whose signature is registered in the records of the mutual fund against the folio of the minor unitholder in the space provided in the form.
 9. In all other cases, Bank attestation in respect of the signature of the new guardian shall be obtained on a separate letter / form as per format given in Annexure 1 hereto, from the bank where the bank account of the minor where the new guardian should have been registered as the guardian.
 10. The new guardian shall be registered as the guardian in respect of the registered bank account of the minor unitholder. A cancelled cheque evidencing the change of guardian in respect of the minor's registered bank account shall be attached to the application for change in Guardian of Minor Unitholder.
 11. Wherever the minor's PAN has been provided in the MF folio, where Guardian in the folio is a natural guardian, TDS should be paid against / quoting the PAN of Guardian and where Guardian in the folio is a court appointed guardian (other than one of the parents), TDS should be paid against / quoting the minor's PAN.

Change in Status on Minor attaining Majority (MAM):

Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major.

The AMC shall send an advance intimation to the registered address of the minor unitholder at least 30 days prior to the minor attaining the age of majority, advising the unitholder to submit a prescribed application form for change in status of the Unitholder from Minor to Major (hereinafter referred to as MAM form for brevity), along with the prescribed documents (as per para 3.5 below). The prescribed MAM form shall be enclosed with the above intimation. AMCs may also consider sending a reminder via email / SMS advising the unitholder to complete the process for change in status from minor to major.

The minor's account shall be frozen for operation on the day the minor attains the age of majority and no further customer-initiated transactions shall be permitted till the status is changed from minor to major.

List of documents to be obtained to change the status from minor to major:

- i. The prescribed MAM form as per specimen attached, duly filled in all respects.
Signature of the applicant (minor who has turned major) in the MAM form shall be duly attested in the space provided therein by the parent/guardian whose signature is registered in the records of the mutual fund against the folio of the minor unitholder or by a Notary or a Judicial Magistrate First Class. Alternatively, the applicant's signature may be attested by the unitholder's bankers in the prescribed form.
- ii. Copy of PAN Card of the applicant

- iii. KYC Acknowledgment or a duly completed KYC form.
- iv. A cancelled cheque leaf with the applicant's name pre-printed or the applicant's latest Bank Statement/Passbook
- v. Nomination Form.

RESTRICTION ON ACCEPTANCE OF THIRD-PARTY PAYMENT:

1. Pursuant to the AMFI Best Practice Guidelines circular on 'Risk mitigation process against Third-Party Cheques in mutual fund subscriptions' read with compliance with Know your Customer (KYC)' norms under Prevention of Money Laundering Act, 2002 (PMLA), **Aditya Birla Sun Life AMC Limited (ABSLAMC) / Aditya Birla Sun Life Mutual Fund (ABSLMF)/ APEX SIF (SIF) shall not accept applications for subscriptions of units accompanied with Third Party Payments**, except in the cases as enumerated below in para (3) below.
2. **"Third Party Payment"** means payment through an instrument issued from a bank account other than that of the beneficiary investor. In case of payments from a joint bank account, the first named investor/holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made.

Illustrations:

Illustration 1 - An Application submitted in joint names of A, B & C along with cheque issued from a bank account in names of B, C & Y. This will be considered as Third Party payment.

Illustration 2 - An Application submitted in joint names of A, B & C along with cheque issued from a bank account in names of C, A & B. This will not be considered as Third Party payment.

Illustration 3: An Application submitted in joint names of A, B & C along with cheque issued from a bank account in name of A. This will not be considered as Third Party payment.

3. ABSLAMC shall not accept subscriptions accompanied with Third Party Payments except in the following exceptional situations subject to submission of requisite documentation/declarations enumerated below:

- a. Payment by an Employer on behalf of employees under Systematic Investment Plans (SIP) or lump-sum / one-time subscription, through Payroll deductions or deductions out of expense reimbursements. Asset management companies should exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and KYC perspectives.

- b. A Custodian on behalf of an FPI or a client.

- c. Payment by an AMC to an empanelled Distributor on account of commission/incentive etc. in the form of the SIF units of the schemes managed by such AMC through SIP or lump sum one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time. AMCs should exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and ensure compliance with provisions of Prevention of Money Laundering Act, 2002 (PMLA) regarding prevention of money laundering etc.

- d. Payment by a Corporate to its Agent Distributor/ Dealer (similar arrangement with Principal-Agent relationship), on account of commission or incentive payable for sale of its goods/services, in the form of the SIF Units through SIP or lump sum one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time. AMCs should exercise extra due diligence in terms of ensuring the authenticity of such arrangements from fraud prevention and ensure compliance with provisions of PMLA Act regarding prevention of money laundering etc.

4. In case of 'exceptional situations' mentioned above, investors are required to submit following documents/declarations

along with the application form without which such applications will be rejected/not processed/refunded:

- a. Mandatory KYC for all Investors (guardian in case of minor) and the person making the payment i.e. third party.
- b. In order for an application to be considered as valid, investors and the person making the payment should attach their valid KYC Acknowledgement Letter to the application form.

5. Investors are requested to note that, in case of:

- a. **Payment by Cheque:** An investor at the time of his/her purchase must provide the details of his pay-in bank account (i.e. account from which a subscription payment is made) and his pay-out bank account (i.e. account into which redemption/IDCW proceeds are to be paid). If the name/bank account number is not pre-printed on the cheque and signature on the cheque does not match with signature on the application, then the first named applicant/investor should submit any one of the following documents:
 - (i) a copy# of the bank passbook or a statement of bank account having the name and address of the account holder and account number;
 - (ii) a letter* (in original) from the bank on its letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).

Investors should also bring the original documents along with the documents mentioned in (a) above to the ISCs/Official Points of Acceptance of APEX SIF. The copy of such documents will be verified with the original documents to the satisfaction of the ABSLAMC/APEX SIF. The original documents will be returned across the counter to the investor after due verification.

** In respect of (b) above, it should be certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number.*

Investors should note that where the bank account numbers have changed on account of the implementation of core banking system at their banks, any related communication from the bank towards a change in bank account number should accompany the application form for subscription of units.

- b. **Payment by RTGS, NEFT, NECS, Bank transfer, etc.:** A copy of the instruction to the bank stating the account number debited must accompany the purchase application. The account number mentioned on the transfer Instruction copy should be a registered bank account or the first named unitholder should be one of the account holders to the bank account.

The above broadly covers the various modes of payment for mutual fund subscriptions. 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 AMC, will also be covered under these provisions and AMC reserves right to have additional checks of verification for any mode of payment received. In case the application for subscription does not comply with the above provisions, ABSLAMC/APEX SIF retains the Sole and absolute discretion to reject/not process such application and refund the subscription money and shall not be liable for any such rejection.

NRIs/FPIs

– **Repatriation Basis**

- In the case of NRIs, payment may be made either by inward remittance through normal banking channels or out of funds held in their Non - Resident (External) Rupee Account (NRE) / Foreign Currency (Non-Resident) Account (FCNR) and

other similar accounts as permitted by RBI from time to time.

- FPIs shall pay their subscription either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Special Non-Resident Rupee Account maintained by the FPIs with a designated branch of an authorised dealer.

– Non-Repatriation Basis

- In the case of NRIs, payment may be made either by inward remittance through normal banking channels or out of funds held in their NRE / FCNR / Non-Resident Ordinary Rupee Account (NRO) / Non-Resident (Special) Rupee Account (NRSR).
- NRIs/FPIs may also be requested to furnish such other documents as may be necessary and as desired by the AMC/Mutual Fund/Registrar, in connection with the investment in the scheme of the Fund.

REGISTRATION OF MULTIPLE BANK ACCOUNTS FACILITY

In compliance to AMFI Best Practice Guidelines, the AMC has introduced “Registration of Multiple Bank Accounts Facility” for its unitholders/ investors under their existing folio, wherein unitholder / investor can register more than one bank account with the SIF to receive redemption / IDCW proceeds. The Unitholder may choose to register multiple bank accounts for a folio (upto 5 different bank accounts for an Individual/HUF investor and upto 10 different bank accounts in case of non-individual investor) through separate form i.e. “Multiple Bank Accounts Registration Form” available on our website (www.https://apexsif.adityabirlacapital.com) and at any of the Investor Service Centres.

Investors should note the terms and conditions as appearing in the said form carefully and also note that AMC / Mutual Fund / R&T reserves the right to request for any such additional documents or information as it may deem fit for enabling registration of bank accounts of unitholders.

STOCK EXCHANGE MECHANISM

ABSLAMC has entered into arrangements with NSE and BSE to facilitate purchase/subscription and redemption/repurchase of units of strategies of APEX SIF.

A. National Stock Exchange India Limited (NSE)

I. Features

Mutual Fund Service System (MFSS) would be made available by NSE on all business days of Capital Market segment in the hours available for participants. The cut-off timing and Applicability of NAV shall be determined in accordance with provisions of SEBI circular SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 or such other amendments as may be issued by SEBI from time to time. MFSS has been designed to provide a confirmation slip of the order(s) entered, which would be deemed to be the time of receipt of application for the purposes of determining the applicability of NAV. MFSS facility available shall be subject to such operating guidelines as may be issued by NSE from time to time.

II. Eligible Investors/Transactions

Resident Individuals, HUF & Resident Minor (represented by Guardian), or such other persons as notified by NSE, may avail of the MFSS facility provided they have:

1. Executed a Trading Member and Client Agreement for the purpose of trading in Capital Market segment of NSE and
2. Signed up for MFSS by providing a letter to the Participant in the format prescribed by NSE.

Units can be held as per choice of the investor, in physical or depository mode. Only subscription and redemption

transactions for the eligible schemes would be accepted in this mechanism. Switch transactions are currently not available.

III. Participants to be Official Points of Transaction

Participant intending to extend the transaction in eligible investment strategies of APEX SIF through stock exchange mechanism shall be required to comply with the requirements specified in Chapter 15 of SEBI Master Circular on Mutual Funds dated June 27, 2024 regarding passing the AMFI certification examination. All such participants will be eligible to be considered as Official Points of acceptance as per Para 16.2.4.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024 for limited purposes of subscription and redemption transactions.

IV. Non-Financial Transactions

Request for Non-Financial Transactions such as change in address, change in bank mandate, etc. will have to be submitted to Investor Services Centres of ABSLAMC/Registrar in case of units held in physical form.

However, for units held under demat mode, such requests may be submitted to the respective Depository Participants.

Email-based Transaction Facility:

The AMC may at its discretion and subject to internal policies, process financial transactions received via email from eligible investors in line with AMFI guidelines dated January 31, 2025, as amended from time to time. The AMC may seek additional documentation including but not limited to authorization by the eligible investors to accept transactions through this mode. Requests for changes in bank details shall not be accepted through this mode. Investors availing this facility acknowledge the associated risks, including delivery failures, delays, or unauthorized access, and agree to bear any resulting consequences. The AMC/RTA shall not be liable for non-receipt or failure to process such instructions due to factors beyond their control. Reasonable safeguards such as time-stamping, domain verification, email receipt confirmation and audit trails shall be adopted to confirm authenticity. The AMC reserves the right to modify or withdraw this facility, in whole or in part, at its discretion and without prior notice.

V. How to Apply/ Redeem

• Physical Mode

- The application form for the subscription/redemption of units through the Stock Exchange Mechanism will be available at Investor Services Centres and at the offices of Participants.
- The completed Application form alongwith other documents as per regulatory requirement will have to be submitted to the Participant.
- Eligible Investors would arrange to make payments towards the same to the Participants bank account.
- Redemption payouts will be made to the investors Bank accounts as per the bank mandate and within the timelines as per the SEBI regulations as applicable from time to time.
- Redemption request may also be submitted to any of the Investor services centers.
- In case investor desires to convert the existing physical units into demat form, the dematerialisation requests for the same will have to be submitted to the respective Depository of the Investor.
- In case fresh subscription application form has not reached the Registrar, any redemption request for the folio will not be taken by the Registrar and shall be rejected.

• Depository Mode

- Redemptions can be accepted through Depository mode.
- Eligible investors having a demat account with NSDL/CDSL may avail option for redemption in units in demat form
- The demat units shall not be transferable.
- In case the investor wishes to transact through any other mode apart from the stock exchange mechanism, an application for Rematerialisation of units shall have to be submitted to their Depository Participant (DP).

- Investors who hold the units in Demat form will also have to submit the Delivery Instruction Slip (DIS) to their DP on the same day of submission of redemption request to the DP by 4.30 pm or such other time as may be specified by NSE, failing which the transaction would be rejected.
- Redemption payouts will be made to the investors Bank account as recorded with the depository.

The transactions carried out on the above platform shall be subject to such guidelines as may be issued by NSE and also SEBI (Mutual Funds) Regulations, 1996 and circulars/guidelines issued thereunder from time to time.

- For redemption of units, Two-Factor Authentication (for online transactions) and signature method (for offline transactions) shall be used to authenticate transactions. One of the Factors for such Two-Factor Authentication (for online transactions) shall be a One-Time Password sent to the unit holder at his/her email/ phone number registered with the AMC/RTA. In case of demat transaction, process of Two-Factor authentication as laid down by the Depositories shall be followed. It is also clarified that in case of mandates/systematic transactions the requirement of Two-Factor Authentication shall be applicable only at the time of registration of mandate/systematic transactions.

B. BSE Limited (BSE)

The transactions carried out on the BSE platform shall be subject to such guidelines as may be issued by BSE and also SEBI (Mutual Funds) Regulations, 1996 and circulars/guidelines issued thereunder from time to time.

Transactions can be carried out under such plans/option under the Schemes as maybe made available on Stock Exchange Platform for Mutual Funds/ SIF by AMC effective from such date that maybe notified on its website from time to time. For details of schemes available for transaction under stock exchange mechanism, investors are requested to refer to the respective Investment Strategy Information Document available on the website

RECOGNISED STOCK EXCHANGE INFRASTRUCTURE - MUTUAL FUND DISTRIBUTORS

The following guidelines shall be applicable for transactions executed in investment strategies of APEX SIF through Mutual Fund Distributors through the Stock Exchange Infrastructure:

1. Mutual Fund Distributors registered with Association of Mutual Funds in India (AMFI) and who has been permitted by the concerned recognised stock exchange will be eligible to use “NMF II Online Mutual fund Platform” of National Stock Exchange of India Ltd. (‘NSE’) platform and / or “BSE StAR MF” platform of BSE Limited (‘BSE’) to purchase (including switches) and redeem units of schemes of the Fund in physical (non-demat) mode and/or demat (electronic) mode.
2. Mutual Fund Distributors will not handle pay out/pay in of funds as well as units on behalf of investor. Pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demat account of investors.
3. In case of payment of redemption proceeds to the Clearing Corporation by the Fund/ its Registrar, it shall be treated as valid discharge for the Fund/ ABSLAMC of its obligation of payment of redemption proceeds to investor for non-demat and for Demat the redemption proceeds will be remitted to ICCL. Similarly, in case of purchase of units, crediting units into Clearing Corporation’s Pool account shall discharge the Fund/ ABSLAMC of its obligation/ to allot units to investor.
4. The facility of transacting in mutual fund schemes through stock exchange infrastructure is available subject to operating guidelines, terms and conditions as may be prescribed by the recognised Stock Exchanges from time to time.
5. It may further be noted that, pursuant to Para 16.2.12 of Master Circular for Mutual Funds dated June 27, 2024, investors can also access infrastructure of the recognised stock exchanges directly to purchase and redeem mutual fund units directly from the Mutual Fund/ Asset Management Company.

TREATMENT OF FINANCIAL TRANSACTIONS RECEIVED THROUGH SUSPENDED DISTRIBUTORS:

Provisions to be applicable for treatment of purchase/switch/Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) transactions received through distributors whose AMFI registration/ARN has been suspended temporarily or terminated permanently by AMFI for all the schemes of the Fund:

1. During the period of suspension, no commission shall be accrued or payable to the distributor whose ARN is suspended. Accordingly, 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 AMFI Registration Number (“ARN”) holder or a sub-distributor.
2. All Purchase and Switch transactions, including SIP/STP registered prior to the date of suspension will remain under regular code and fresh SIP/STP registrations received under the ARN code of a suspended distributor during the period of suspension, will be processed under “Direct Plan” of the respective scheme and will be continued under Direct Plan of the respective scheme perpetually*. A suitable intimation in this regard will be sent to the investor informing them of the suspension of the distributor.

*Note: If the AMC receives a written request/instruction from the first/sole unitholder to shift to Regular Plan under the ARN of the distributor post the revocation of suspension of ARN, the same will be honored. Investors may be liable to bear tax implication as per their tax position for such transactions.

3. All Purchase and Switch transactions including SIP/STP transactions received through the stock exchange platforms through a distributor whose ARN is suspended / Invalid will be rejected.
4. In case where the ARN of the distributor has been permanently terminated, the unitholders have the following options:
 - Switch their existing investments under Regular plan to Direct Plan (Investors may be liable to bear capital gains taxes as per their individual tax position for such transactions); or
 - Continue their existing investments under Regular Plan under ARN of another distributor of their choice.

A. Special Products/ Facilities offered by the AMC/Strategies:
I. SYSTEMATIC INVESTMENT PLAN (SIP)

SIP allows investors to invest money in investment strategies of APEX SIF on a regular basis. Applicants can avail of SIP facility by filling up the relevant application form available at branch offices / ISC / OPTs.

Given below are the salient features of SIP:

Investors have the option of **Monthly** Systematic Investment Plan

	Monthly Systematic Investment Plan
Minimum Application Amount	Minimum 6 installments (including the first installment) of Rs. 10,000/- and in multiples of Re. 1 thereafter subject to the minimum investment threshold eligible as per the Regulations
Investment Dates	Investment can be on any date of the month. In case the chosen date falls on a non-business day, the SIP will be processed on the immediate next business day. In case the chosen date is not available in that month, the SIP will be processed on last business day of the month.
Default date:	If the investment frequency is not selected or in case of any ambiguity, the SIP date will be 7th of each month under Monthly SIP. In case the End date mentioned by the investor, falls beyond the date mentioned in Mandate form, then SIP shall be registered as per date mentioned on mandate. In case SIP “end Month/Year” is incorrect or not mentioned by the investor then the same would be considered as 40 years from the SIP start date by default.

b. Default scenarios available to the investors under plans/options of the investment strategies
DIRECT PLAN:

Direct Plan is only for investors who purchase /subscribe Units in an Investment strategy directly with the SIF and is not available for investors who route their investments through a Distributor.

- i. **Eligible investors:** All categories of investors (whether existing or new Unitholders) as permitted under the Investment Strategy Information Document of the Investment Strategy are eligible to subscribe under Direct Plan.
- ii. **Modes for applying:** Investments under Direct Plan can be made through various modes offered by the SIF for investing directly with the SIF including through Stock Exchange Platforms for SIF [excluding other Platform(s) where investors’ applications for subscription of units are routed through Distributors].
- iii. *How to apply:*
 - a. Investors desirous of subscribing under Direct Plan of a Investment Strategy will have to ensure to indicate “Direct Plan” against the Investment Strategy name in the application form.
 - b. Investors should also indicate “Direct” in the ARN column of the application form.

Payout of IDCW

Under this option, it is proposed to declare IDCW subject to the availability of distributable surplus as computed in accordance with SEBI Regulations. IDCW, if declared, will be paid (subject to deduction of

tax at source, if any) to those Unitholders, whose names appear in the register of Unitholders on the notified record date. AMC reserves the right to change the record date from time to time. However, it must be distinctly understood that actual declaration of IDCW and frequency thereof is at the discretion of trustees. There is no assurance or guarantee to Unitholders as to the rate of IDCW distribution nor that the IDCW will be paid regularly. The IDCW shall be paid in the name of the sole / first holder and, if applicable, will be posted to the Registered Address of the sole / first holder in the original application form. To safeguard the interest of the unit holders from loss/ theft of IDCW cheques, investors should provide the name of their bank, branch, account number and IFSC/ MICR Number in the application form. IDCW cheques will be sent to the unit holder after incorporating such information. However, AMC will endeavor to credit the Payout of IDCW directly to the designated Bank A/c of the unitholder through any of the available electronic mode (i.e. RTGS / NEFT / Direct Credit / NECS). AMC reserves the right to use any of the above mode of payment as deemed appropriate for all folios where the required information is available. On payments of IDCW, the NAV will stand reduced by the amount of IDCW paid. In case the IDCW amount payable is less than or equal to Rs 100/- (Rupees One Hundred only) the same will be compulsorily reinvested in the corresponding Investment Strategy/ Plan(s) on the ex-IDCW date at Applicable NAV The amount of IDCW reinvested will be net of applicable taxes.

Growth Option

Under this option, no IDCW will be declared. The income attributable to units under this option will continue to remain invested and will be reflected in the NAV of the units under this option.

Reinvestment of IDCW Unitholders opting for IDCW option may choose Reinvestment of IDCW to be received by them in additional units of the investment strategy. Under this facility the IDCW due and payable to the unitholders will be compulsorily and without any further act by the unitholders, reinvested in the IDCW option (on the next business day after the record date) at a price based on the prevailing Ex-IDCW Net Asset Value (NAV derived post declaration of IDCW) per unit on the record date. The amount of Reinvestment of IDCW will be net of tax deducted at source, wherever applicable. Reinvestment of IDCW shall constitute a constructive payment of IDCW to the unitholders and a constructive receipt of the same amount from each unitholder for reinvestment in units. On reinvestment of IDCW, the number of units to the credit of the unitholders will increase to the extent of the Reinvestment of IDCW divided by the applicable NAV as explained above. There shall, however, be no interest/sales load on the IDCWs so reinvested.

Unitholders will have the right to discontinue the facility at any time by sending a written request to the Investor Service Centres (ISCs) of Aditya Birla Sun Life AMC Limited. Notice of such discontinuance should be received at least 7 (seven) business days prior to the IDCW Record Date. On receipt of the valid request, the facility will be terminated.

Default Plan:

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

Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct	Direct Plan
3	Not mentioned	Regular	Direct Plan
4	Mentioned	Direct	Direct Plan
5	Direct	Not Mentioned	Direct Plan
6	Direct	Regular	Direct Plan
7	Mentioned	Regular	Regular Plan

STATEMENT OF ADDITIONAL INFORMATION

8	<i>Mentioned</i>	<i>Not Mentioned</i>	<i>Regular Plan</i>
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In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC 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.

VII. RIGHTS OF UNITHOLDERS OF THE INVESTMENT STRATEGY

1. Unit holders have a proportionate right in the beneficial ownership of the assets of the Investment Strategy. When the SIF declares an Income Distribution cum Capital Withdrawal (IDCW) under an Investment Strategy, IDCW payments shall be completed to the Unit Holders within 7 working days from the record date of IDCW.

Consolidated Account Statement ('CAS') at SIF level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue a monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. If a Unit holder so desires the SIF shall issue a Unit certificate (non- transferable) within 5 Business Days of the receipt of request for the certificate.

2. The SIF shall dispatch redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. Provided that, processing of redemption(s) in the SIF Investment Strategies shall be subject to appropriate notice period(s), if any, as may be implemented by the AMC, based on structure of the Investment Strategy and the liquidity risk associated with it.

3. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.

4. The appointment of the AMC for SIF can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the investment strategy.

5. 75% of the Unit holders can pass a resolution to wind- up an Investment strategy.

6. The Trustee shall obtain the consent of the Unit holders:

- Whenever required to do so by SEBI, in the interest of the Unit holders.
- Whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Investment strategy.
- When the majority of the trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 39 of SEBI (Mutual Funds) Regulations, 1996 or prematurely redeem the units of a close ended scheme.
- When the majority of the trustees decide to wind up the Investment Strategy or prematurely redeem the units of an Investment Strategy.

7. The trustees shall ensure that no change in the fundamental attributes of any Investment strategy, the fees and expenses payable or any other change which would modify the Investment strategy and affect the interest of the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of SEBI (Mutual Funds) Regulations, 1996.

8. The Trustee shall ensure that no change in the fundamental attributes of any Investment strategy or the trust or fees and expenses payable or any other change which would modify the Investment strategy and affects the interest of Unit holders of the Investment Strategy, shall be carried out by the AMC, unless the AMC ensures compliance with requirements listed hereunder:

- i. SEBI has reviewed and provided its comments on the proposal;
- ii. A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the ABC Mutual Fund is situated; and
- iii. The Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.

9. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

VIII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

SEBI vide gazette notification no. LAD-NRO/GN/2011- 12/38/4290, dated February 21, 2012 amended Regulation 25, 47 and the Eighth Schedule titled 'Investment Valuation Norms' under SEBI (Mutual Funds) Regulations, 1996 to introduce the overarching principles namely 'Principles of Fair Valuation'.

The amended regulations require that mutual funds shall value their investments in accordance with principles of fair valuation so as to ensure fair treatment to all investors i.e., existing investors as well as investors seeking to subscribe or redeem units.

It further prescribes that the valuation shall be reflective of the realizable value of securities and shall be done in good faith and in a true and fair manner through appropriate valuation policies and procedures approved by the Board of ABSLAMC. The amendment also states that in case of any conflict between the principles of fair valuation and valuation guidelines as per Eighth Schedule and circulars issued by SEBI, the Principles of Fair Valuation shall prevail.

Based on the said amendment by SEBI, the Board of the ABSLAMC and Trustee has adopted a comprehensive investment valuation policy and procedures, the summary thereof is as below.

A. Valuation methodologies

Detailed security/asset-wise valuation methodologies for each type of investment made by the investment strategies of APEX SIF are described in Annexures.

B. Inter-scheme transfers

Inter-scheme transfers shall be effected as per process described in the Annexures, basis valuation norms as prescribed by SEBI.

C. Exceptional Events

Events such as monetary policy or other regulatory related events, large redemptions, absence of trading in a specific or similar security or other external factors could constitute abnormal events. The above mentioned list is only indicative and may not reflect all the possible exceptional events/circumstances.

The Valuation Committee shall be responsible for monitoring exceptional events and recommending appropriate valuation methods under the circumstances.

D. Deviation

Any deviation in the Valuation Policy & Procedures shall be allowed only with the prior approval of the Valuation Committee, followed by reporting to the Investment Committee, Risk Management Committee and Board of AMC & Trustee.

The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees.

E. Record Keeping

All the documents which form the basis of valuation including inter-scheme transfers (the approval notes & supporting documents) will be maintained in either electronic form or physical papers. The above records will be preserved in accordance with the norms prescribed by the SEBI regulations and internal record retention policy.

F. Periodic Review

In order to ensure the appropriateness and accuracy of the methodologies as mentioned above and its effective implementation, a review at regular intervals, as specified by the Valuation Committee, shall be carried out by Internal Auditors and findings shall be reported to the Audit Committee of the Boards of Aditya Birla Sun Life AMC Limited & Aditya Birla Sun Life Trustee Limited.

G. Sunset Clause

The policy shall be reviewed at least once every year, in addition to the changes made from time to time, as required by regulations.

H. Disclosure

In order to ensure transparency of valuation norms adopted by Aditya Birla Sun Life AMC Limited, the valuation policy and procedures shall be disclosed in the Statement of Additional Information (SAI), on the website, i.e. <https://apexsif.adityabirlacapital.com/> and at any other place as may be specified by SEBI.

I. Annexures

Annexure I - Detailed Valuation Policy Annexure II - Waterfall Mechanism

Annexure III- Valuation of AT-1 and Tier II bonds issued under Basel III Framework

Annexure I

The detailed valuation policy, as guided by SEBI valuation framework mentioned above, for each asset type is listed below:

I Equity Shares

I.1 Listed / Traded Securities:

Any security which has been traded on any specified stock exchange and has a combined trade value of more than Rs. 500,000 or has a combined trade volume of more than 50,000 scrips during a period of thirty days is considered as traded security.

- Traded securities shall be valued at the day's closing price of National stock exchange.
- When on a particular day a security has not been traded on National stock exchange the closing price on BSE shall be used for valuation.
- When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on National Stock Exchange or Bombay Stock Exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.
- For Index Funds, valuation shall be done at the closing prices of the underlying index.

SEBI Guidelines:

1. Traded Securities: -

- i. These securities shall be valued at the last quoted closing price on the stock exchange.
- ii. When the securities are traded on more than one recognized stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the asset management company to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should however be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments is principally traded.

- iii. Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the asset management company.
- iv. When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange may be used.
- v. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.

I.2 Un-Listed / Thinly Traded / Non-Traded Securities:

Any security which does not have trading volume of 50,000 scrip's and trading amount of Rs. 500,000/- during a period of thirty days shall be categorized as thinly traded. When a security is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip shall be treated as a non- traded scrip.

Thinly traded / unlisted / non-traded securities shall be valued in good faith on the basis of fair valuation principles as follows:

Net Worth Value per share of the company will be derived based on the latest available audited balance sheet, not more than 9 months from close of financial year, net worth per share shall be calculated as [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.

Capital Earning Value per share of the company will be derived by capitalization of Earnings per Share based on the latest available balance sheet, with 25% of Average capitalization rate (P/E ratio) for the industry. As a best practice, in case of thinly traded securities, the rate (Industry P/E) to be used, shall be the latest available rate, on the date the balance sheet based valuation comes into effect. In case P/E is not available for any industry, valuation committee shall arrive at the appropriate methodology for valuation.

In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.

In case where the latest Balance Sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.

Average of Net Worth Value per share and Capital Earning Value per share thus derived, shall be further discounted for illiquidity by 15% to derive fair value of unlisted securities and by 10% to derive fair value of thinly traded/ non traded securities.

In case an individual security accounts for more than 5 per cent of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5 per cent. Of the total assets of the scheme, it shall be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs will be compared on the date of valuation.

The AMC after providing suitable justification to and after due approval from the Valuation Committee, may decide to value unlisted/non traded/ thinly traded securities at a price lower than the value derived using the aforesaid methodology.

For Futures and Options, the rule relating to non-traded / thinly traded does not apply.

I.3 Un-Listed/ Thinly Traded Securities by way of Corporate Action:

Unlisted companies emanating by way of corporate action like de-merger etc. shall be valued based on Residual price allocation and inputs from Research Team in case of multiple resultant companies. Valuations will be considered subject to approval from the valuation committee. In the event a pre-opening session is carried out, the shares shall be valued at the price determined of the pre-opening session. In case of corporate actions where the possible re-listing of the demerged entity is envisaged or an adequate guidance is provided by the company, then no discount shall be applied to the derived price of unlisted entity.

However, if the said security doesn't get listed within three months post the ex-date then such security shall be considered for a 5% discount. Suitable discount will also be considered if the resultant shares are of a different share class with differential voting rights and differential dividend rates. Discounts so considered will be subject to approval of the Valuation Committee. Prices calculated as above shall then be marked against an appropriate benchmark index on a daily basis to derive daily market price.

Cost allocation shall be proportionate to the derived value of resultant scrips.

Suspended Equity Securities:

In case trading in an equity security is suspended up to thirty days, then the last traded price shall be considered for valuation of that security. If an equity security is suspended for more than thirty days, then the AMC(s) or Trustees shall decide the valuation norms to be followed and such norms shall be documented and recorded.

SEBI Guidelines (Applicable for the above points i.e. I.2 and I.3)

Unlisted/Thinly Traded equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:

- a. Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below:
 - i. Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.
 - ii. After taking into account the outstanding warrants and options, Net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option/Warrants received/receivable by the Company plus free reserves(excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of Paid up Shares plus Number of Shares that would be obtained on conversion/exercise of Outstanding Warrants and Options}

The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.

- b. Average capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- c. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% (10% in case of thinly traded/non traded securities) for illiquidity so as to arrive at the fair value per share.

I.4 Allotment of Equity Shares on Preferential basis, Pre- Public Offering:

Shares allotted on preferential basis have a lock-in of 1 year.

- a) Shares will be valued at cost up to two months from the date of purchase. If not listed within two months, will be valued as per unlisted equity shares valuation methodology after two months.
- b) Post listing of shares, they shall be valued by applying illiquidity discount on the listed price during the lock in period.
 - i. If the shares are in future and option segment, 5% illiquidity discount will be applied which will be reduced by 1.25% after every 3 months.
 - ii. If the shares are not part of future and option segment, 10% illiquidity discount will be applied which will be reduced by 2.5% after every 3 months.

I.5 Shares held in physical form shall be valued basis Valuation Committee approval.

I.6 Rights Offer:

Until the rights shares are traded, each rights share shall be valued as Ex- Rights price minus Rights Offer price. In case the Offer price is higher than the Ex- Rights price, rights share shall be valued at 'Nil'. Any consideration paid prior to allotment will thus result in depreciation on rights shares.

Suitable discount will be considered if the resultant shares are of a different share class with differential voting rights and differential dividend rates. Discounts so considered will be subject to approval of the Valuation Committee.

The above valuation prices to be used till the date of allotment. From the date of allotment the security shall be valued at exchange closing price.

If rights share renunciation is traded and the value and volume ratio is fulfilled, then the traded price/ renunciation price shall be used for valuation.

SEBI Guidelines

Until they are traded, the value of the "rights" shares should be calculated as: $V_r = n/m \times (P_{ex} - P_{of})$

Where

V_r = Value of rights

n = no. of rights offered

m = no. of original shares held P_{ex} = Ex-rights price

P_{of} = Rights Offer Price

Where the rights are not treated pari-passu with the existing shares, suitable adjustment should be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.

I.7 Reduction in Face Value and Refund of Money

If a company reduces its face value and refunds the corresponding proceeds, the same shall be booked as revenue.

I.8 Partly Paid Up Shares

Traded: The closing price on the exchange shall be considered for valuation.

Non Traded/Unlisted: Uncalled liability per share shall be reduced from the value of traded fully paid equity share to

derive price of partly paid shares. Suitable illiquidity discount, if deemed necessary, shall be applied with approval from Valuation Committee.

I.9 Buy Back of the Securities

If a company offers to buy back hundred percent of the shares tendered then shares will be valued at the price of buy back and ignoring the market price. Else, market price of the security will be considered for valuation till formal confirmation of acceptance of shares tendered under the buy- back scheme Quantum of shares accepted under buy back will be accounted as a sale trade.

I.10 Warrants

Non-Traded Warrants shall be valued based on a combination of the relevant conversion ratio and conversion price. Illiquidity discount shall be considered on the same lines as for any other illiquid shares.

Option pricing models, such as Black Scholes model, may also be used for the valuation of non- traded warrants subject to the approval of Valuation Committee.

Traded Warrants (fulfilling the traded security criteria) shall be valued based on the closing price.

SEBI Guideline

In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures must be deducted to account for the period, which must elapse before the warrant can be exercised.

I.11 Preference Shares

If preference shares are qualified as traded, then the closing price of the day on NSE/BSE shall be considered for valuation. NSE will be the primary stock exchange.

For non-traded redeemable preference shares, valuation shall be discounted value of future cash flow based on bond yield of that issuer.

Convertible preference shares shall be valued based on the underlying equity. This value shall be further discounted for illiquidity as per the policy to value illiquid shares. Traded Convertible preference shares shall be valued based on the closing price.

Price of Cumulative Convertible Preference Shares shall be derived based on the price of underlying instrument. If Cumulative Convertible Preference Shares are traded then the closing price will be considered for valuation.

I.12 Valuation of Convertible Debentures

Traded convertible Debentures (as per the traded security criteria) shall be valued based on the cum- interest traded price.

I.13 Inter-scheme transfer (IST) of Listed Equity Shares:

In case of Equity Instruments IST pricing shall be done only using the screen print of the live traded price of the security

from the Bloomberg terminal.

// Futures & Options

Market values of traded open future/option contracts shall be determined with respect to the exchange on which it is contracted originally, i.e., a future/option contracted on the National Stock Exchange (NSE) would be valued at the Settlement price of future/option on the NSE. In such a case, the price of the same future/option series on the Bombay Stock Exchange (BSE) cannot be considered for the purpose of valuation.

/// Debt & Money Market Instruments

Traded Debt & Money Market Instruments

A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platforms of recognized stock exchanges or CCIL

Non – Traded Debt & Money Market Instruments

A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on the trade reporting platforms of recognized stock exchanges or CCIL

Valuation of money market and debt securities (including unrated debt securities)

In order to avoid different prices for same security across industry, AMFI in association with CRISIL & ICRA has initiated the process of providing scrip based prices for securities and the Aggregated Price is being used for valuation as notified by SEBI vide circular dated Mar 22, 2019

In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield (weighted) on the date of allotment / purchase.

1. Valuation of Government Securities:

G-Secs, T-bills and Cash Management Bills (CMBs) will be valued based on average of prices provided by designated agencies, CRISIL and ICRA, irrespective of any residual maturity.

In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield (weighted) on the date of allotment / purchase.

2. Instruments which are rated below Investment Grade:

Below Investment Grade: A money market or debt security shall be classified as “below investment grade” if the long term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.

Default Grade: A money market or debt security shall be classified as “Default” if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to “Default” grade by a CRA.

Mutual Funds shall promptly inform to the valuation agencies and the CRAs, any instance of non- receipt of payment of interest and / or principal amount (part or full) in any security.

All money market and debt securities which are rated below investment grade shall be valued at the price provided by designated valuation agencies.

Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircuts provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities.

- Consideration of traded price for valuation:

In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, such traded price has to be considered for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.

In case of trades after the valuation price is computed by the valuation agencies as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.

The trades referred above shall be of a minimum size as determined by valuation agencies.

- Treatment of accrued interest, future interest accrual and future recovery:

The indicative haircut that has been applied to the principal shall be applied to any accrued interest.

In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.

The following shall be the treatment of how any future recovery shall be accounted for in terms of principal or interest:

Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.

Any recovery in excess of the carried value (i.e. the value recognized in NAV) shall then be applied first towards amount of interest written off and then towards amount of principal written off.

3. Valuation of other money market / debt securities, short-term deposits with banks (pending deployment)

- TREPS and Reverse Repo (Including Corporate Bond Repo).

Shall be valued at the average of the prices obtained from rating agencies. In case security level prices to be given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield/price on the date of allotment/purchase. Overnight Reverse Repo (Including Corporate Bond Repo) / TREPS will be valued at cost plus accruals/ amortization basis.

- Short-term deposits with banks (pending deployment)

Investments in short-term deposits with banks (pending deployment) shall be valued on cost plus accrual basis.

4. Valuation for Instruments with options

The option embedded securities would be valued as follows:

a. Securities with call option:

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

b. Securities with Put option:

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

c. Securities with both Put and Call Option:

Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly.

In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

- Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price
- Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.
- In case no Put Trigger Date or Call Trigger Date ("Trigger Date") is available, then valuation would be done to maturity price. In case both Trigger Dates are available, then valuation would be done to the earliest date.

If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.

Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation.

5. Treatment of Upfront Fees on Trades

- Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.
- Details of such upfront fees shall be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.
- For the purpose of accounting, such upfront fees shall be reduced from the cost of the investment in the scheme that made the investment.
- In case upfront fees are received across multiple schemes, then such upfront fees shall be shared on a pro-rata basis across such schemes.

6. Changes in terms of investment:

While making any change to terms of an investment, Mutual Funds shall adhere to the following conditions:

- Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.

- Any extension in the maturity of a money market or debt security shall result in the security being treated as “Default”, for the purpose of valuation.
- If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as “Default” for the purpose of valuation.
- Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

7. Exceptions to Principles III 1 above

Under exceptional circumstances, including but not limited to the following, where the valuation price arrived at based on the above principles for any debt or money market instrument, is not reflective of Net Realizable Value in the opinion of the Valuation Committee, then the valuation price would be determined by the Committee using principles of fair valuation:

- Credit events affecting a company or sector
- RBI actions
- Valuation of covenants / collateral that impact the valuation of a security
- Any action taken by a foreign central bank / government that would affect the value of a security
- Change in regulations
- the detailed rationale for each instance of deviation shall be recorded by the AMC

Exceptions to Principles III 4 above - Deviations from indicative Haircuts and /or Valuation price for securities below Investment Grade

The detailed rationale for deviation from the price post haircuts or the price provided by the valuation agencies shall be recorded. All such exceptions shall be reported to the Investment Committee and to the board of directors of the AMC & the Trustee Company. Necessary documentation shall be maintained in this regard, including justification for price deviation, method adopted along with the detailed computation of the fair price etc.

8. OTC Derivatives & MLDs

All OTC Derivatives (including IRS) & MLDs shall be valued as per prices obtained from valuation agencies which will be effective by 23rd Dec 2019 or any other date as stipulated by SEBI.

9. Interest Rate Futures (IRF)

All IRFs will be valued at daily settlement price on NSE or any other recognized stock exchange.

10. Inter-scheme transfer (IST) of debt and money market instruments

Transfer of securities between schemes should ensure fair treatment of investors in both schemes & due justification for the transfer shall be recorded in writing.

- ISTs shall take place at prices as received by Valuation agencies. If there is more than 1 price available, the Average of such prices shall be taken. Such prices should be received by the AMCs from valuation agencies within the agreed TAT as stipulated by AMFI.

A) In case prices are not received from the agencies within the TAT then, for determining current market prices, following order shall be followed:

- a. In case of G-Secs (including T-Bills) traded on NDS-OM, last traded yield, at the normal market lot, as at the time of IST shall be considered to derive the price.
(Eg: An IST is always done on T+0 basis, therefore the traded yield should be used to derive the T+0 price for IST valuation)
- b. In case of other securities, where there are market trades on the date of IST, weighted average price till the time of IST shall be considered provided the market trades satisfy the following qualifying criteria:
- c. For instruments maturing above 1 year, the traded price may be taken if there are at least two trades aggregating to face value Rs. 25 crores or more on a single platform.
- d. For instruments maturing within 1 year, the traded price may be taken if there are at least three trades aggregating to face value of Rs. 100 crores or more on a single platform.
- In case of multiple platforms reporting trades on the same day, the order of preference would be FIMMDA, followed by Exchange (NSE WDM, BSE).
- e. In the absence of market trades on the date of IST, where AMC has traded (equivalent to a market lot, i.e. face value of Rs. 5 crores or more) in that security prior to effecting the IST, such price / derived price (in case of T+n deals) shall be used for the inter-scheme transfer.
- f. In the absence of traded prices or qualifying trade, such transfers shall be done at previous day's closing prices.

IV Investments in Mutual Fund Units

As per the guidelines issued by AMFI vide letter no 1 / Valuation /16/10-11 dated December 28, 2010 for valuation of mutual fund units:

Mutual fund units listed and traded on exchanges (NSE & BSE) would be valued at closing traded price as on the valuation date. If on the valuation date, the variance between the traded price and the closing NAV exceeds 3%, mutual fund units will be valued at the closing NAV.

Unlisted Mutual fund units and listed but not traded mutual fund units would be valued at the NAV Declared on the valuation date.

V Corporate Debt Market Development Fund

Units of Corporate Debt Market Development Fund (CDMDF) would be valued at the published NAV as on the valuation day.

VI International Securities

Investments are marked to market on a daily basis and Unrealised Gain/ Loss due to currency rate movement and Unrealised Gain/ Loss due to security price movement are accounted separately.

International Equity /ADR/GDR/Depository Receipt/Depository Interest/ Mutual Fund units/ ETF :

Valuation of securities is based on the closing price as reported by Reuters/Bloomberg/any other provider for the relevant Sedol in the same order preference. For all markets closing price is of T- day. When EQUITY/ADR/GDR/Depository Receipt/Depository Interest is not traded on a particular valuation day, earliest previous closing price shall be used provided such date is not more than thirty days prior to the valuation date.

International Mutual fund units would be valued at their NAV declared on the valuation date. Investments are marked to market on a daily basis and Unrealised Gain/ Loss due to currency rate movement and Unrealised Gain/ Loss due to NAV are accounted separately.

For International ETFs, closing price of T-day will be considered for all markets. In case the ETF is not traded or not available, earliest previous closing price shall be used provided such date is not more than thirty days prior to the valuation date.

Forward positions on cross currencies are marked to market on a daily basis against INR till such date as the positions are settled. Difference between the exchange rate of the forward and the original FX rate on the contract is accounted as Realized Gain/ Loss on currency. The exchange rate available on Reuters / Bloomberg / RBI shall be used to mark to market the FX positions in the same order preference.

On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the rate available on Reuters / Bloomberg / RBI at 5.00 pm (IST) cut off, in the same order preference.

In case the direct exchange rates are not available on Bloomberg/Reuter's, then cross currency with USD would be considered and converted as per INR/USD rate in Reuters / Bloomberg / RBI.

Thinly traded ADR/GDRs/Depository Receipt/Depository Interest shall be valued after considering appropriate discount for illiquidity as decided by the valuation committee. All other / thinly traded foreign securities shall be valued by AMC at fair value after considering relevant factors on case to case basis as decided by the Valuation Committee.

International Debt:

In case of securities traded by ABSLMF on a particular day, the security shall be valued at traded price or weighted average traded price in case of multiple trades on that particular day. Securities where ABSLMF has no trades shall be valued at BVAL price provided by Bloomberg with a cut-off time of 6.00 PM IST.

Exceptions**1) Price not available on Bloomberg**

In case the price for a particular security is not provided by Bloomberg BVAL for any given day, the allotment price or last traded price or last valuation price, whichever is more recent, shall be used for valuation up to 5 business days. And Beyond 5 business days the valuation price would be determined by the Valuation Committee using principle of fair valuation. Necessary documentation shall be maintained in this regard, including method adopted along with the detailed computation of the fair price.

2) Price not reflective of Net realizable value

Where BVAL pricing is deemed not reflective of Net Realizable Value in the opinion of the Valuation Committee, then the valuation price would be determined by the Committee using principles of fair valuation. Additionally, the Analyst/Fund Manager shall provide necessary documentation in this regard, including justification for price deviation, method adopted for valuation along with the detailed computation/logic for arriving at the fair price etc.

VII Valuation of Gold

The gold acquired by the scheme is in the form of standard bars and its value as on a particular day is determined as under: AM fixing price as per regulatory norms in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand shall be considered, subject to the following:

- a. Adjustment for conversion to metric measure as per standard conversion rates;
- b. Adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate
- c. Addition of transportation, notional customs duty, and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the mutual fund; and

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the mutual fund; Provided further that where the gold held by a scheme has a greater fineness, prices of AM fixing as per regulatory norms shall be taken as the reference price under this sub-paragraph. GST will not be included for valuation of Gold as the Scheme will be eligible for input credit of GST paid on purchase of Gold.

If on any day AM fixing price as per regulatory norms or RBI reference rate is not available due to holiday, then the immediately previous day's prices are applied for the purpose of calculating the value of gold.

MCX spot price would be considered for determining a suitable notional premium/discount to arrive at the fair valuation reflecting the domestic prices of Gold/Silver. Instances where MCX spot price is lower than the price as determined above,

a suitable notional discount would be applied. If on any day MCX spot price is not available, any other appropriate source may be used as agreed upon by the Valuation Committee.

VIII Valuation of Exchange Traded Funds

Exchange Traded Funds shall be valued at the closing price on the National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) on the valuation day. If not traded on the primary stock exchange (NSE), the closing price on the other stock exchange will be considered.

In case of no trades on either stock exchanges, earliest previous closing price shall be used provided such date is not more than thirty days prior to the valuation date.

IX Valuation of Infrastructure Investment Trust (InvITs)/ Real Estate Investment Trust (REITs) units

- Daily Closing price from Exchange (NSE- Primary, BSE- Secondary)
- Latest NAV declared by Investment managers of the trust in case the security is not traded for last 30 calendar days
- In case the fund manager / valuation committee feels the NAV declared by the trust is not representative of the fair value, the fund manager would derive the fair value along with approval from the valuation committee with supporting.

X Valuation of Exchange Traded Commodity Derivatives (ETCDs):

Exchange Traded Commodity Derivatives (ETCDs) - Futures and Options:

- ETCD contracts shall be valued at the last quoted closing price on the exchange where such contracts are listed
- On a valuation day, if last quoted closing price is not available then such ETCD contracts shall be valued at the settlement price.
- In case necessary details to value ETCDs are not available or if the prices as per above do not represent fair price, the valuation committee, in order to ensure fair valuation, will determine price, based on the available information.

Exchange Traded Commodity Derivatives (ETCDs) - Physical:

- Upon the receipt of physical stocks at the exchange accredited warehouse in the allocated location the commodity can be valued daily. The pooled physical price of the respective location is published by the respective commodity exchanges.

Example: Pooled price of Gold ex-Ahmedabad is published by 12:00 noon every day at the MCX website which can be referred for valuation of stocks lying in Ahmedabad warehouse / designated vaults under ABSL MF Schemes. These published prices will be considered for valuation.

XI Valuation of Silver

The silver held by a silver exchange traded fund scheme shall be valued at the AM fixing price as per regulatory norms in US dollars per troy ounce for silver having a fineness of 999.0 parts per thousand, subject to the following:

- adjustment for conversion to metric measure as per standard conversion rates;
- adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
- c. addition of-

- i. transportation and other charges that may be normally incurred in bringing such silver from London to the place where it is actually stored on behalf of the mutual fund; and
- ii. notional customs duty and other applicable taxes and levies that may be normally incurred to bring the silver from London to the place where it is actually stored on behalf of the mutual fund:

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of silver to the place where it is stored on behalf of the mutual fund:

Provided further that where the silver held by a silver exchange traded fund scheme has a greater fineness, the relevant prices of AM fixing as per regulatory norms shall be taken as the reference price under this sub- paragraph.”

1. GST will not be included for valuation of Silver as the Scheme will be eligible for input credit of GST paid on purchase of Silver.

If on any day the AM fixing as per regulatory norms or RBI reference rate is not available due to holiday, then the immediately previous day's prices are applied for the purpose of calculating the value of Silver.

MCX spot price would be considered for determining a suitable notional premium/discount to arrive at the fair valuation reflecting the domestic prices of Gold/Silver. Instances where MCX spot price is lower than the price as determined above, a suitable notional discount would be applied. If on any day MCX spot price is not available, any other appropriate source may be used as agreed upon by the Valuation Committee.

Annexure II – Waterfall Mechanism

Part A: Valuation of Money Market and Debt Securities other than G-Secs

1. Waterfall Mechanism for valuation of money market and debt securities:

The following shall be the broad sequence of the waterfall for valuation of money market and debt securities:

- i. Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building or fixed price) and secondary trades in the same ISIN
- ii. VWAY of primary issuances through book building of same issuer, similar maturity (Refer Note 1 below)
- iii. VWAY of secondary trades of same issuer, similar maturity
- iv. VWAY of primary issuances through fixed price auction of same issuer, similar maturity
- v. VWAY of primary issuances through book building of similar issuer, similar maturity (Refer Note 1 below)
- vi. VWAY of secondary trades of similar issuer, similar maturity.
- vii. VWAY of primary issuance through fixed price auction of similar issuer, similar maturity
- viii. Construction of matrix (polling may also be used for matrix construction)
- ix. In case of exceptional circumstances, polling for security level valuation(Refer Note 2 below)

Note 1

Except for primary issuance through book building, polling shall be conducted to identify outlier trades. However, in case of any issuance through book building which is less than INR 100 Cr, polling shall be conducted to identify outlier trades.

Note 2

Some examples of exceptional circumstance would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach in last 6 months.

Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMCs. Further, a record of all such instances shall be maintained by AMCs and shall be subject to verification during SEBI inspections.

Note 3

All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Inter-scheme transfers) should be considered for valuation on that day.

Note 4

It is understood that there are certain exceptional events, occurrence of which during market hours may lead to significant change in the yield of the debt securities. Hence, such exceptional events need to be factored in while calculating the price of the securities. Thus, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:

- i. Monetary/ Credit Policy
- ii. Union Budget
- iii. Government Borrowing/ Auction Days
- iv. Material Statements on Sovereign Rating
- v. Issuer or Sector Specific events which have a material impact on yields
- vi. Central Government Election Days
- vii. Quarter end days

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

2. Definition of tenure buckets for Similar Maturity

When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same issuer or a similar issuer, where the residual tenure matches the tenure of the bond to be priced. However, as it may not be possible to match the exact tenure, it is proposed that tenure buckets are created and trades falling within such similar maturity be used as per table below.

Residual Tenure of Bond to be priced	Criteria for similar maturity
Upto 1 month	Calendar Weekly Bucket
Greater than 1 month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1 year	Calendar Monthly Bucket
Greater than 1 year to 3 years	Calendar Quarterly Bucket

Greater than 3 years

Calendar Half Yearly or Greater Bucket

In addition to the above:

- a. In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Some examples of market events / nuances include cases where traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket, similarly for less than 30 days and more than 30 days or cases where yields for the last week v/s second last week of certain months such as calendar quarter ends can differ.
- b. In the case of illiquid/ semi liquid bonds, it is proposed that traded spreads be permitted to be used for longer maturity buckets (1 year and above). However, the yield should be adjusted to account for steepness of the yield curve across maturities.
- c. The changes/ deviations mentioned in clauses a and b, above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

3. Process for determination of similar issuer

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer do not always refer to issuers which trade at same yields, but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

- i. Issuers within same sector/industry and/or
- ii. Issuers within same rating band and/or
- iii. Issuers with same parent/ within same group and/or
- iv. Issuers with debt securities having same guarantors and/or
- v. Issuers with securities having similar terms like Loan Against Shares (LAS)/ Loan Against Property (LAP)

The above criteria are stated as principles and the final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

4. Recognition of trades and outlier criteria

a. Volume criteria for recognition of trades (marketable lot)

Paragraph 1.1.1.1(a) of SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 on Valuation of money market and debt securities, prescribes that the marketable lots shall be defined by AMFI, in consultation with SEBI. In this regard, marketable lot is defined as under.

The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume Criteria for marketable lot
Primary	INR 25 er for both Bonds/NCD/CP/ CD and other money market instruments
Secondary	INR 25 er for CP/ CD, T-Bills and other money market instruments
Secondary	INR 5Cr for Bonds/NCO/ G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored.

i. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

ii. Outlier trades shall be classified on the basis of liquidity buckets (Liquid, Semi-liquid, Illiquid). Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.

iii. The outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of the matrix. Relative movement ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.

iv. Potential outlier trades which are identified through objective criteria defined above will be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.

v. The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity Classification	Bps Criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)		
	Upto 15 days	15-30 days	Greater than 30 days
Liquid	30 bps	20 bps	10 bps
Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70 bps	50 bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI.

vi. In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

Liquidity classification criteria - liquid, semi liquid and Illiquid definition

Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-Liquid and illiquid basis the following two criteria

- a. Trading Volume
- b. Spread over reference yield

Such criteria shall be reviewed on periodic basis in consultation with AMFI.

Trading Volume (Traded days) based criteria:

Number of unique days an issuer trades in the secondary market or issues a new security in the primary market in a calendar quarter

- Liquid $\geq 50\%$ of trade days
- Semi liquid $\geq 10\%$ to 50% trade days
- Illiquid $< 10\%$ of trade days

Spread based criteria:

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid. For bonds thresholds are defined as upto 15 bps for liquid; >15-75 bps for semi- liquid; > 75 bps for illiquid. (Here, spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix), For CP/ CD- upto 25 bps for liquid; >25- 50 bps for semiliquid; > 50 bps for illiquid. (Here, spread is computed as average spread of issuer over A1+/AAA CD Bank matrix).

The thresholds shall be periodically reviewed and updated having regard to the market.

The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments {CP/ CDs) and bonds.

5. Process for construction of spread matrix

Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix:

Steps	Detailed Process
Step 1	<p>Segmentation of corporates-</p> <p>The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket:</p> <ol style="list-style-type: none"> 1. Public Sector Undertakings/Financial Institutions/Banks; 2. Non-Banking Finance Companies -except Housing Finance Companies; 3. Housing Finance Companies; 4. Other Corporates
Step 2	<p>Representative issuers -</p> <p>For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating {I.e. "AAA" or AA+). Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector.</p> <p>It may not be possible to find representative issuers in the lower rated segments, however</p> <p>in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions. In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spreads is not seen at any step.</p> <p>For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.</p>

Step 3	<p>Calculation of benchmark curve and calculation of spread -</p> <ol style="list-style-type: none"> 1. Yield curve to be calculated for representative issuers for each sector formaturities ranging from 1 month till 20 years and above. 2. Waterfall approach as defined in Part A (1) above will be used for construction of yieldcurve of each sector. 3. In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants 4. Yield curve for Representative Issuers will be created on daily basis for all 4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the sector, parentage and characteristics. Spread over the benchmark curve for each security is computed using latest available trades/primaries/polls for respective maturity bucket over the Benchmark Issuer. <p>Spreads will be carried forward in case no data points in terms of trades/primaries/polls are available for any issuer and respective benchmark movement will be given.</p>
Step 4	<ol style="list-style-type: none"> 1. The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/primary issuances. 2. In case of rating downgrade/credit event/change in liquidity or any other material event in Representative Issuers, new Representative Issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered. <p>residual tenure of the securities of representative issuers shall be used for construction of yield curve.</p>

Part B: Valuation of G-Secs {T-Bill, Cash management bills, G-Sec and SOL}

The following is the waterfall mechanism for valuation of Government securities:

- VWAY of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation
- Carry forward of spreads over the benchmark
- Polling etc.

Note:

1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines.
2. Outlier criteria: Any trade deviating by more than +/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.

Polling: A separate polling policy, which covers the detailed processes followed by the AMC in this regards, is in place.

Annexure III – Valuation of AT-1 and Tier II bonds issued under Basel III Framework

I. Deemed Residual Maturity of Bonds

The Deemed Residual Maturity for the Purpose of Calculation of valuation as well as Macaulay Duration for existing as well as new perpetual bonds issued:

STATEMENT OF ADDITIONAL INFORMATION

Time Period	Deemed Residual Maturity (Years)
Till March 31, 2022	10
April 01, 2022 – September 31, 2022	20
October 01, 2022 – March 31, 2023	30
March 31, 2023 onwards	100

the residual maturity will always remain above the deemed residual maturity proposed above. The Macaulay Duration is proposed to be calculated as under for Tier II bonds:

Time Period	Deemed Residual Maturity for all secu (Years)
April 01, 2021 – March 31, 2022	10 years or contractual maturity whic earlier
April 01, 2022 onwards	Actual Maturity

1. If the issuer does not exercise call option for any ISIN, then maturity of bonds to be considered as 100 years from the date of issuance of AT-1 bonds and contractual maturity of Tier II Bonds for all the ISINs of the said issuer.
2. If the non-exercise of call option is due to financial stress or in case of adverse news, the same must be reflected in the valuation.

II. Guidelines for Valuation

1. Form two types of ISINs:

- a) Benchmark ISINs (a non-benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happens to be the benchmark ISINs across all maturities for AT-1 Bonds.)
- b) Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similar maturity).
- c) The groups will be decided in consultation with valuation agencies. The two main criteria envisaged to be used here would be Tier 1 / Tier 2 ratings of the ISINs / Issuers, and the spread range in which the group of ISINs / Issuer's trade over the benchmark.

2. Take a look back period for trade recognition as under:

- a) 15 working days for benchmark ISINs
- b) 30 working days for non-benchmark ISINs
- c) This will be revised to 7 working days for benchmark ISIN and 15 working days for non- benchmark ISINs from October 01, 2021.

Note 1

- a) If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation.
- b) If 1 ISIN of the issuer trades all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM.
- c) If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation however with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any particular day, an actual trade in a look back period will be seen.
- d) If there is an actual trade in look back period the security will be considered as traded and valued with necessary

e) adjustment of spread to YTM. According to this valuation will be done based on the trade of issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.

Note 2

As the valuation is based on trade during the look back period, it is confirmed that a spread will be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.

Note 3

If there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period also then valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.

Note 4

AT-1 bonds and Tier 2 bonds being different categories of bonds, the valuation of these bonds will be done separately (i.e.) ISIN of AT-1 bond traded will not mean that ISIN of Tier-2 bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay Duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 bonds, for all ISINs of the issuer.

Accrual of Expenses & Income

All expenses and incomes accrued up to the valuation date shall be considered for computation of NAV. For this purpose, while major expenses like management fees and other periodic expenses would be accrued on a day to day basis, the minor expenses and income need not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%

Changes in securities and in number of Units

Any changes in securities and in the number of Units will be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible, given the frequency of NAV disclosure, the recording may be delayed up to a period of 7 days following the date of the transaction, provided as a result of such non-recording, the NAV calculation shall not be affected by more than 1%.

In case the NAV of the Scheme differs by more than 1%, due to non - recording of transactions the investors or Scheme as the case may be, shall be paid the difference in amount as follows:

- If the investors are allotted units at a price higher than NAV or are given a price lower than NAV at the time of sale of their Units, they shall be paid the difference in amount by the Scheme.
- 3. If the investors are charged lower NAV at the time of purchase of their Units or are given higher NAV at the time of sale of their Units, the AMC shall pay the difference in amount to the Scheme. The AMC may recover the difference from the investor

IX. COMPUTATION OF NAV

A. Policy of computation of NAV

The Net Asset Value (NAV) per Unit of the investment strategy will be computed by dividing the net assets of the investment strategy by the number of Units outstanding under the investment strategy on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

NAV of Units under the investment strategy shall be calculated as shown below:

$$\text{NAV (Rs.) per Unit} = \frac{\begin{array}{l} \text{Market or Fair Value of the investment strategy's Investments} \\ + \text{Current Assets (including accrued income)} \\ - \text{Current Liabilities and Provisions (including accrued expenses)} \end{array}}{\text{No. of Units outstanding under the investment strategy}}$$

The AMC will calculate and disclose the NAV of the investment strategy on every business day.

The NAVs of the Investment strategy will be calculated upto two decimals and units allotted upto three decimals. AMC reserves the right to calculate NAV more than two decimal places. NAVs of the growth option and IDCW option will be different after the declaration of the first IDCW. Computation of NAV in case of investment in foreign securities: On the valuation day, all the assets and liabilities denominated in foreign currency will be valued in Indian Rupees. The valuation price of the security will be converted to INR based on a reference rate provided by the designated agency at the close of banking hours in India. If required, the AMC may change the source of determining the exchange rate. The Fund shall value its investments according to the valuation norms as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.

The valuation of investments shall be based on the principles of fair valuation specified in the Schedule VIII of the SEBI (Mutual Funds) Regulations, 1996 and guidelines issued by SEBI /AMFI from time to time.

Illustration of computation of NAV:

If the net assets of the Investment strategy is Rs.10,55,34,567.12 and units outstanding are 100,00,000, then the NAV per unit will be computed as follows:

$$10,55,34,567.12 / 100,00,000 = \text{Rs. } 10.55 \text{ p.u. (rounded off to two decimal)}$$

In accordance with SEBI (MF) Regulations, while determining the price of the units, the mutual fund shall ensure that the repurchase price of the investment strategy is not lower than 97 per cent of the Net Asset Value.

Note: Where as a result of a Redemption/ Switch arising out of excess holding by an investor beyond 25% of the net assets of the investment strategy s in the manner envisaged under para 6.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024, such Redemption / Switch will not be subject to Exit load.

Methodology for calculation of sale and re-purchase price of the units:

- Subscription / Switch-in (from other Investment Strategies/plans of the Mutual Fund) (This is the price investor need to pay for purchase/switch-in)

If the applicable NAV is Rs. 10/- and since there will be no entry load, then the purchase price will be Rs. 10/-

- Redemption / Switch - out (to other Investment Strategies/plans of the Mutual Fund)(This is the price investor will receive at the time of redemption/ switch-out)

If the applicable NAV is Rs. 10/- and exit load is 0.5% then sale price will be $10 - (10 * 0.5\%) = 10 - 0.05 = \text{Rs. } 9.95/-$

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

B. Policy for computation of NAV in foreign securities

Computation of NAV in case of investment in foreign securities: On the valuation day, all the assets and liabilities denominated in foreign currency will be valued in Indian Rupees. The valuation price of the security will be converted to INR based on a reference rate provided by the designated agency at the close of banking hours in India. If required, the AMC may change the source of determining the exchange rate. The Fund shall value its investments according to the valuation norms as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time.

C. Procedure in case of delay in disclosure of NAV

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

III. TAX & LEGAL & GENERAL INFORMATION

A. TAXATION ON INVESTING IN MUTUAL FUNDS

As per the taxation laws in force and the amendments made vide Finance Act, 2025, the tax benefits that are available to the investors investing in the Units of the Schemes are stated herein below. The information so stated is based on the Mutual Fund's understanding of the Income Tax Act, 1961 ("the Act") and the Income Tax Rules, 1962 ("the Rule").

THE FOLLOWING INFORMATION IS PROVIDED FOR ONLY GENERAL INFORMATION PURPOSES. IN VIEW OF THE INDIVIDUAL NATURE OF TAX BENEFITS, EACH INVESTOR IS ADVISED TO CONSULT WITH HIS OR HER OWN TAX CONSULTANT WITH RESPECT TO THE SPECIFIC TAX AND OTHER IMPLICATIONS ARISING OUT OF THEIR PARTICIPATION IN THE SCHEME AND THEIR TREATMENT IN RESPECT OF THE INCOME FROM MUTUAL FUNDS IN THEIR RESPECTIVE RETURNS OF INCOME.

B. INCOME TAX

TAXATION OF MUTUAL FUND:

Aditya Birla Sun Life Mutual Fund ("Mutual Fund") is registered with SEBI and as such, the entire income of the Fund is exempt from income tax under Section 10(23D) of the Act. In view of the provisions of Section 196(iv) of the Act, no income-tax is deductible at source on the income earned by the mutual fund.

Where the Mutual Fund receives any income from investments made in overseas jurisdictions, the said income may be subject to withholding tax in the relevant jurisdiction. Further, as the income of the Mutual Fund is exempt from tax in India, credits/refunds in relation to these foreign taxes may not be available in India.

TAXATION OF UNITHOLDERS:

– *Income Distribution Cum Capital Withdrawal Income*

- a. Under the provisions of section 10(35) of the Act, income received on or after April 1, 2020 in respect of the units of a mutual fund specified u/s. 10(23D) of the Act will not be exempt from income tax in the hands of all unit holders. Thus, distributed income received by unit holders from the Mutual Fund on or after April 1, 2020 will be taxable in the hands of the unit holders at applicable rates.
- b. While computing the IDCW income chargeable to tax in the hands of the resident unit holder, deduction u/s. 57(iii)

c.) of the Act would be allowed only for interest expense not exceeding 20% of such IDCW income. Deduction would not be permissible for any other expense that the unit holder may incur wholly and exclusively for earning IDCW income.

Further, as per section 115A(3) and 115A(4) of the Act, in computing the IDCW income chargeable to tax in the hands of the non-resident unit holder, no deduction would be allowed u/s. 57 and Chapter VI-A of the Act against this IDCW income.

– Tax Deduction at Source on IDCW

As a consequence of withdrawal of exemption u/s. 10(35) of the Act, the Mutual Fund would be required to deduct tax at source on distribution of IDCW income.

In case of resident unit holders, rate of TDS is 10% u/s. 194K of the Act (other than income is of the nature of capital gains). However, no deduction is required if the amount payable to the unit holder does not exceed Rs. 10,000/- during a financial year.

In case of a non-resident unit holder, rate of TDS is 20% (plus applicable surcharge and cess) u/s. 196A of the Act.

In case of income payable to an Offshore Fund, rate of TDS is 10% (plus applicable surcharge and cess) u/s. 196B of the Act.

CAPITAL GAINS TAX

1. Long Term Capital Gains: On units of equity-oriented funds (including funds with exposure of at least 65% in listed equity shares of domestic company):

The long-term capital gains in respect of units of equity oriented mutual fund held for more than 12 will be chargeable to tax at rate of 12.5% (plus applicable surcharge and health & education cess) on such capital gains exceeding one lakh twenty-five thousand rupees. However, no benefit of Currency Inflation Indexation or the Cost Inflation Indexation is available. The concessional rate of 12.5% shall be available only if STT has been paid on transfer of units of equity oriented mutual funds.

Further, in case of resident individuals and HUFs where taxable income as reduced by such long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the flat rate of income-tax. All the rates are subject to surcharge and health & education cess.

The Finance Act, 2018 has amended section 55 of the Act to provide for a grandfathering provision upto January 31, 2018. As per the said amendment, cost of acquisition of the aforementioned long term capital asset acquired by the assessee before February 1, 2018 would be higher of the following:

- i. actual cost of acquisition of the asset; and
- ii. lower of:
 - fair market value of such asset; and
 - full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, the fair market value shall be as under:

- Units listed on a recognized stock exchange: highest price of the units quoted on the recognized stock exchange as on January 31, 2018.
- If there is no trading in such asset on such exchange on the January 31, 2018, the highest price of such asset on such exchange on a date immediately preceding the January 31, 2018 when such asset was traded on such exchange.
- Units unlisted as on January 31, 2018: the net asset value of such unit as on the said date.

The Finance Act, 2018 has also amended the provisions of section 115AD of the Act to bring parity with withdrawal

of exemption u/s. 10(38) of the Act and taxation of long-term capital gains u/s. 112A of the Act.

“Equity oriented fund” means a fund set up under a scheme of a mutual fund and:

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

(A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and

(B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and

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

2. Capital Gains: On units of Specified Mutual Fund (funds with exposure of more than 65% in debt and money market instruments):

As per the amendment brought by Finance Act 2023, capital gains arising from transfer of unit of a ‘specified mutual fund’ acquired on or after April 1, 2023 shall be considered as short-term capital gain. With effect from April 1, 2025, ‘specified mutual fund’ has been defined to mean a mutual fund which invests more than 65% of its total proceeds in debt and money market instrument.

Capital gains on sale of such 'specified mutual funds' shall be considered as short-term capital gains irrespective of the holding period. The amendment results in capital gains being taxable at applicable rates in hands of the investors.

This amendment is applicable on units acquired on or after 1 April 2023. In case the units are acquired before 1 April 2023, long-term capital gains benefit shall continue to be provided.

(a) Long Term Capital Gains: On units of funds other than the equity-oriented funds and Specified Mutual Funds as referred above For all resident unit holders:

Long-term capital gains in respect of units held for a period of more than 24 months (in case of listed units more than 12 months) will be chargeable u/s.112 of the Act at the rate of 12.50% (plus applicable surcharge and cess). Capital gains would be computed after reducing the aggregate cost of acquisition and expenditure incurred wholly and exclusively in connection with transfer.

Further, in the case of Individuals and HUFs, being resident, where taxable income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to income tax at 12.50%% (plus health & education cess).

(b) For all non-resident unit holders other than offshore funds & FIIs:

Long-term capital gains arising on transfer of units will be subjected to the income tax at the rate of 12.50%. However, no benefit of Currency Inflation Indexation or the Cost Inflation Indexation is available.

The above rates will be further increased by applicable surcharge and cess.

(c) For Overseas Financial Organizations, including Overseas Corporate Bodies fulfilling conditions laid down under section 115AB of the Act (Offshore Funds)

Under section 115AB of the Act, long-term capital gains in respect of units purchased in foreign currency will be chargeable at the rate of 10% (12.50% w.e.f April 1, 2026) (plus applicable surcharge and cess). Such gains would be calculated without indexation of cost of acquisition/ cost of improvement.

(d) For Foreign Institutional Investors (FIIs) and Specified Funds

Long-term capital gains on sale of units would be taxed at the rate 12.50% (plus applicable surcharge and health & education cess) u/s. 115AD of the Act.

Such gains would be calculated without Currency Inflation Indexation or the Cost Inflation Indexation.

3. Short Term Capital Gains:

Units of an Equity Oriented Scheme (*)

Resident unit holder	Non-Resident (other than FII and Specified Funds)unit Holder	FII and Specified Funds
Where STT has been paid: 20% (u/s. 111A of the Act) Where STT has not been paid: Taxable at normal rates of tax applicable to the assessee.	Where STT has been paid: 20% (u/s. 111A of the Act) In respect of non-resident (other than foreign company), where STT has not been paid: Taxable at normal rates of tax applicable to the assessee. In respect of foreign company, where STT has not been paid: 40%	Where STT has been paid: 20% (u/s. 111A of the Act) Where STT has not been paid: 30% (u/s. 115AD of the Act)

Units of Non-Equity Oriented Scheme including Specified Mutual Fund as per section 50AA (*)

Category of Units	Residents	Non-resident other than FII and Specified Funds	FII and Specified Funds
Listed and Unlisted Units	Taxable at normal rates of tax applicable to the assessee	In respect of non-resident non corporate, taxable at normal rates of tax applicable to the assessee. In respect of non-resident corporate: 40%	30% (u/s 115AD of the Act)

*plus surcharge and cess as applicable

Further, in case of resident individuals and HUFs where taxable income as reduced by short-term capital gains, is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to the flat rate of income-tax. All the rates are subject to surcharge and health & education cess.

4. Transactions not regarded as transfers u/s. 47 of the Act:

Clause (xviii) of section 47 of the Act provides that any transfer of unit or units by a unit holder held by him in the consolidating scheme of a mutual fund, will not be treated as transfer, if the transfer is made in consideration of the allotment to him of unit or units in the consolidated scheme of the mutual fund under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996 and accordingly, capital gains will not apply.

Further, clause (xix) of section 47 of the Act provides that any transfer of unit or units by a unit holder held by him in the consolidating plan of a mutual fund scheme, will not be treated as transfer, if the transfer is made in consideration of the allotment to him of unit or units in the consolidated plan of that mutual fund scheme under the process of consolidation of the plan of that schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly, capital gains will not apply.

For the purpose of above clauses, 'consolidating scheme' means the scheme of a mutual fund which merges under the

process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and ‘consolidated scheme’ means the scheme with which the consolidating scheme merges or which is formed as a result of such merger.

Further, ‘consolidating plan’ means the plan within a scheme of a mutual fund which merges under the process of consolidation of the plans within a scheme of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and ‘consolidated plan’ means the plan with which the consolidating plan merges or which is formed as a result of such merger

5. IDCW and Bonus Stripping:

Section 94(7) of the Act ignores any capital loss, arising to a unit holder if he acquires units of a mutual fund within a period of three months prior to the record date fixed for distribution of income and sells or transfers such units within a period of nine months from such record date, to the extent of IDCW or income received or receivable on such units which is exempt.

Section 94(8) of the Act provides that if a person buys or acquires units ("the original units") of a mutual fund within a period of three months prior to the record date fixed for allotment of bonus units and sells the original units within nine months from the date of allotment of bonus units, while continuing to hold all or any of the bonus units, then the loss arising on such sale or transfer shall be ignored. Further, such loss shall be deemed to be the cost of acquisition or purchase of the bonus units.

General Anti Avoidance Rule (‘GAAR’) is an anti-tax avoidance Rule which is applicable w.e.f. April 1, 2017. The objective of GAAR is to deny tax benefits to an arrangement which has been entered into with the main purpose of obtaining tax benefits and which lacks commercial substance or creates rights and obligations which are not at arm’s length principle or results in misuse of tax law provisions or is carried out by means or in a manner which are not ordinarily employed for bona fide purposes. The overarching principle of GAAR provisions is “substance over form”.

6. Tax Deduction at Source on Capital Gains:

- (a) Income-tax is not deductible at source from income by way of capital gains arising to a resident unit holder under the present provisions of the Act.
- (b) As per the provisions of section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rates provided under the domestic tax laws or under the concerned DTAA (read with MLI, if applicable), whichever is more beneficial to the assessee, unless a lower withholding tax certificate is obtained from the tax authorities.

In case of a non-resident other than a company	
Long term capital gains referred to in section 112A of the Act (capital gains exceeding Rs. One lakh Twenty-Five Thousand)	12.50%
Long term capital gains on units of funds other than equity oriented funds and Specified Mutual Fund	12.50%
Short term capital gains on units of equity oriented funds	20%
Short term capital gains on units of Specified Mutual Fund and funds other than equity oriented funds	30%
In case of a foreign company	
Long term capital gains referred to in section 112A of the Act (capital gains exceeding Rs. One lakh Twenty-Five Thousand)	12.50%
Long term capital gains on units of funds other than equity oriented funds and Specified Mutual Fund (FII & Specified Fund – TDS @ 10% (12.50% w.e.f April 01, 2026) as per 115AD;)	20%
Short term capital gains on units of equity oriented funds	20%

Short term capital gains on units of funds other than equity oriented funds (FII & Specified Fund – TDS @ 30% as per section 115AD)	40%
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- (c) Under section 196B of the Act, tax at 12.50% shall be deducted at source from long term capital gains on units earned by Overseas Financial Organisation.
- (d) As per section 196D of the Act, tax is not required to be deducted on capital gains arising from transfer by FIIs of securities referred to u/s. 115AD of the Act.

7. Capital Loss:

Losses under the head ‘Capital Gains’ cannot be set-off against income under any other head. Short term capital losses resulting from the transfer of units would be available for setting off against taxable capital gains. Further, unabsorbed short-term capital losses shall be carried forward and set off against the income chargeable under the head ‘Capital Gain’ in any of the subsequent 8 (eight) assessment years. Unabsorbed long-term capital loss can be carried forward and set off against the long-term capital gains arising in subsequent 8 (eight) assessment years. Further, within the head ‘Capital Gains’, long-term capital losses cannot be adjusted against short-term capital gains.

8. Exemptions from long term capital gains

(a) Deduction under section 54EE of the Act:

Deduction in respect of taxable long-term capital gains on transfer of units could be claimed under Section 54EE of the Act in the hands of all assesseees, subject to fulfillment of certain conditions specified therein. The section requires investment of the capital gains, within a period of six months from the transfer of the units, in long term specified assets, being units issued before the April 1, 2019, of such fund as may be notified by the Central Government in this behalf. The amount of investment during the year of transfer and in the subsequent year should not exceed Rs. 50 lakhs. However, if the amount of investment in specified fund is less than the capital gain on sale or redemption of original units, only proportionate capital gains would be exempt from tax.

(b) Deduction under section 54F of the Act:

A deduction in respect of the taxable long-term capital gains on transfer of units could be claimed under Section 54F of the Act in the hands of Individual & HUF, subject to fulfillment of certain conditions specified in the section. This section requires purchase/ construction of residential house in India within specified period. However, if the amount of purchase/construction cost of residential house is less than the net consideration realized on sale or redemption of original units, only proportionate capital gains would be exempt from tax.

9. Deduction u/s 80C of the Act:

An Individual or a Hindu undivided family can claim deduction u/s. 80C upto Rs. 1,50,000/- for sums paid for subscription to units of Equity linked Mutual Fund.

Where the total income of any assessee includes any long term capital gains or short-term capital gains (STT paid), the deduction under section 80C of the Act shall be allowed from the income on the total income as reduced by such long term capital gains and/or short term capital gains.

However, if an Individual or a Hindu undivided family opts for concessional tax rates under section 115BAC of the

Act, then deduction under section 80C of the Act would not be available w.e.f. April 1, 2021. Individual/HUF has been given an option to select either current tax regime or the concessional tax regime w.e.f. April 1, 2021.

□ DOUBLE TAXATION AVOIDANCE AGREEMENT – BENEFIT AVAILABLE TO NON-RESIDENT UNITHOLDERS

In respect of non-residents, the tax rates and the consequent taxation, mentioned in the above paragraphs shall be further subject to any benefits available under the Double Taxation Avoidance Agreement (“DTAA”), if any, between India and the country of residence of the non-resident.

As per section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The treaty and MLI provide for various anti-abuse provisions (*viz.* beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming treaty benefit. In order to avail treaty benefit, the non-resident, apart from substantiating that it is not abusing the treaty in any manner, will also have to furnish a valid Tax Residency Certificate of his being a resident in a country outside India, alongwith e-filed Form No. 10F, and such other documents as may be prescribed and required under the tax laws in India for the time being in force.

– MINIMUM ALTERNATE TAX U/S. 115JB of the Act

The provisions of section 115JB of the Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

Further, section 115JB of the Act expressly provides that the amount of income from (i) capital gains arising on transactions in securities; or (ii) interest, royalty or fees for technical services chargeable to tax at the rates specified in Chapter XII of the Act, accruing or arising to a foreign company shall not be liable to MAT if such income is credited to the profit and loss account and the income-tax payable in accordance with the other provisions of the Act, is less than the rate specified in section 115JB of the Act. The expenditures, if any, debited to the profit loss account, corresponding to such income (which is to be excluded from the MAT liability) shall also be added back to the book profit for the purpose of computation of MAT.

Finance Act, 2021 extends the above relief from applicability of MAT provisions to IDCW income accruing or arising to a foreign company and correspondingly, adding back of expenditure related to such IDCW income with effect from April 01, 2021.

Further, section 115JB(5A) of the Act *inter alia* provides that domestic companies opting for section 115BAA or section 115BAB of the Act will not be required to pay Minimum Alternate Tax (“MAT”). Since the MAT provisions under section 115JB of the Act itself would not apply where a domestic company exercises option of lower tax rate under section 115BAA, section 115JAA(8) of the Act provides that MAT credit would not be available.

– PERMANENT ACCOUNT NUMBER (PAN) OF THE UNIT HOLDER AND PAN-AADHAAR LINKAGE

The withholding tax rates mentioned in the above paragraphs are subject to the recipients of income obtaining and furnishing a Permanent Account number (“PAN”) to the payer, in the absence of which the applicable withholding tax rate would be the higher of the applicable rates or 20%, under section 206AA of the Act.

The provisions of section 206AA will not apply in case of non-resident unit holders, if the following documents are furnished to the Mutual Fund as listed in Rule 37BC of the Rule:

- i. name, e-mail id, contact number;

- ii. address in the country or specified territory outside India of which the shareholder is a resident;
 - iii. Tax Residency Certificate;
 - iv. Tax Identification Number/ Unique Identification Number of the shareholder.
- Further as per section 139AA(2) of the Act, an individual unit holder must link its PAN with Aadhaar failure of which will lead withholding tax at higher rate under section 206AA of the Act read with Rule 114AAA of the Rule. PAN-Aadhaar linkage provisions are not applicable to non-resident individual if he/she does not hold an Aadhaar.

– INVESTMENTS BY CHARITABLE AND RELIGIOUS TRUSTS

Units of Mutual Fund Schemes referred to in clause (23D) of section 10 of the Act constitute an eligible avenue for investment by charitable or religious trusts as per rule 17C of the Rules, read with clause (xii) of sub-section (5) of section 11 of the Act.

A. GIFT TAX

If units of Mutual Fund Scheme are gifted, no gift tax shall be payable by the donor as the provisions of Gift Tax Act, 1958 have ceased to apply with effect from October 1, 1998. However, the donee may be liable u/s. 56(2)(x) (w.e.f. April 1, 2017) of the Income tax Act, 1961, in case the units are received by it is without consideration the fair market value of such units exceeds fifty thousand rupees or for inadequate consideration, subject to other conditions specified therein.

B. DISTRIBUTION TAX

Aditya Birla Sun Life Mutual Fund is a Mutual Fund registered with SEBI and is eligible for benefits under Section 10(23D) of the Act. Accordingly, entire income of Mutual Fund is exempt from tax.

Tax on distributed income to unit holders (u/s 115R of the Act):

Tax on distributed income to unitholders payable under section 115R of the Act by mutual fund or specified company has been abolished by Finance Act, 2020 w.e.f. FY 2020-21. As a consequence, to this abolishment, exemptions available under section 10(34) and section 10(35) of the Act in respect of IDCW income from domestic company and income received from mutual fund or specified company are also discontinued. Such income would be chargeable to tax at applicable rates.

C. SURCHARGE AND CESS:

For the Financial Year 2025-26, the rates of surcharge and cess as applicable is tabulated as under:

a) **Individual, HUF, BOI, AOP & AJP**

Total Income	Income other than IDCW & gains covered under section 112A and section 112A	IDCW & Capital gains under section 111A, 112A and section 112A
Upto Rs.50 lakhs	Nil	Nil
Total income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore	10%	10%
Total income exceeds Rs. 1 crore but does not exceed Rs. 2 crores	15%	15%
Total income exceeds Rs. 2 crores but does not exceed Rs. 5 crores#	25%	15%
Total income exceeds Rs. 5 crores#	37%*	15%

#In case of total income post excluding dividend income and capital gain u/s 111A, 112 and 112A do not exceed Rs. 2 crore, then the rate of surcharge on total income will be 15%.

Also, the rate of surcharge in case of AOP's whose members comprise only of companies shall not exceed 15%. As per Finance Act 2023, in case of Individual, HUF, AOP, BOI and AJP whose Total Income exceeds Rs. 5 crores the applicable Surcharge shall be 25% instead of higher rate of 37%.

b) Other than Individual, HUF, BOI, AOP & AJP:

Investor	Rate of Surcharge
Co-operative society	
- Total income exceeds Rs. 1 crore but does not exceed Rs. 10 crores	7%
- Total income exceeds Rs. 10 crores	12%
Firm or or local authority	
- Total income exceeds Rs. 1 crore	12%
Domestic Company (other than those exercising the option under the newly sections 115BAA and 115BAB)	
- Total income exceeds Rs. 1 crore but does not exceed Rs. 10 crores	7%
- Total income exceeds Rs. 10 crores	12%
Domestic Company exercising the option under sections 115BAA and 115BA	10%
Foreign Company	
- Total income exceeds Rs. 1 crore but does not exceed Rs. 10 crores	2%
- Total income exceeds Rs. 10 crores	5%

Cess applicable as under:

Health and Education cess at the rate of 4% on the total tax payable is payable by all categories of taxpayers for the Financial Year 2025-26.

D. SECURITIES TRANSACTION TAX

The Mutual Fund is liable to pay securities transaction tax from June 1, 2013 as follows:

Taxable securities transaction	Rate (%)	Payable by
Purchase of an equity share in a company or a unit of a business trust, where - <ul style="list-style-type: none"> - the transaction of such purchase is entered into in a recognized stock exchange; and - the contract for the purchase of such share or unit is settled by the actual delivery or transfer of such share or unit 	0.1%	Purchaser
Purchase of a unit of an equity oriented fund	NIL	
Sale of an equity share in a company or a unit of a business trust, where <ul style="list-style-type: none"> - the transaction of such sale is entered into in a recognized stock exchange; and - the contract for the sale of such share or unit is settled by the actual delivery or transfer of such share or unit 	0.1%	Seller
Sale of a unit of an equity oriented fund, where – <ul style="list-style-type: none"> - the transaction of such sale is entered into in a recognized stock exchange; and - the contract for the sale of such unit is settled by the actual delivery or transfer of such unit 	0.001%	Seller
Sale of an equity share in a company or a unit of an equity oriented fund or a unit of a business trust (non-delivery based) <ul style="list-style-type: none"> (a) the transaction of such sale is entered into in a recognized stock exchange (b) the contract for the sale of such share or unit is settled otherwise than by the actual delivery or transfer of such share or unit. 	0.025%	Seller
Sale of an option in securities	0.01%	Seller
Sale of an option in securities, where option is exercised	0.125%	Purchaser
Sale of a futures in securities	0.02%	Seller
Sale of unit of an equity oriented fund to the Mutual Fund	0.001%	Seller
Sale of unlisted equity securities under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a recognized stock Exchange	0.2%	Seller
Sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal, with respect to unit linked insurance policy issued by such insurance company on or after the first day of February, 2021	0.001%	Seller
Sale of unlisted units of a business trust, which were acquired in consideration of a transfer referred to in clause (xvii) of section 47 of the Income-tax Act, 1961, under an offer for sale to the public included in an initial offer and where such units are subsequently listed on a recognized stock exchange	0.2%	Seller

Securities transaction tax paid by the assessee during the year in respect of taxable securities transactions entered in the course of business shall be allowed as deduction under section 36 of the Act subject to the condition that such income from taxable securities transactions is included under the head ‘profits and gains of business or profession’.

C. LEGAL INFORMATION

1. NOMINATION FACILITY

Unit holder can nominate (in the manner prescribed under the SEBI (Mutual Funds) Regulations, 1996 or (“**MF Regulations**”)), maximum upto 10 person(s) in whom the Units held by him/her shall vest in the event of his/her death. It shall be mandatory to indicate clearly percentage of allocation/share in favour of each of the nominees against their name and such allocation/share should be in whole numbers without any decimals making a total of 100 percent. If the Investor states equal percentage allocation among 10 nominees the percentage allocation will be considered as 10% each. In the event of the Unitholders not indicating the percentage of allocation/share for each of the nominees, the AMC, by invoking default option shall settle the claim equally amongst all the nominees. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee. A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. The nominee shall receive the Units only as an agent and trustee for the legal heirs or legatees, as the case may be. It is, hereby, clarified that the nominees under the nomination facility shall receive the assets of the deceased unit holder as a trustee on behalf of the legal heir(s) of the deceased unit holder, thereby effecting due discharge of the AMC. Further, legal heirs of nominees shall not have the right to inherit the assets of the unit holder, if the nominee pre-deceases the unit holder and if upon such demise of the nominee, no change is made in the nomination by the unit holder, then the assets shall be distributed to the surviving nominees on a pro rata basis as prescribed by SEBI in this regard. .

Nomination made by a unitholder shall be applicable for investments in all the Schemes in the folio or account and every new nomination for a folio or account will overwrite the existing nomination. Thus, a new nomination request will imply the simultaneous cancellation of the existing nomination and request for a fresh nomination. It is clarified that in case of joint accounts/holdings, upon the demise of one or more joint unit holder(s), the AMC shall transmit the assets held to the surviving unit holder(s) vide name deletion and such surviving unit holder(s) shall receive the assets as owners, as opposed to a trustee. In this regard, the surviving joint unit holders shall be entitled to continue with or change or cancel the nominations made previously. The mode of operation of the joint account shall be unaffected by the rule of survivorship.

In case there is a situation where there is a simultaneous passing away of all joint unit holders of a particular joint account, the AMC shall transmit the assets in the account or folio of the registered nominee(s) for effecting its due discharge. In case such joint holders have not opted for nomination and have not indicated any registered nominee, the AMC shall transmit the assets in the account/ folio to either: (a) the legal heir or legal representative of the youngest of the joint holders as per the rules of intestate succession; or (b) as per the Will of the latter, as the case may be, after following the procedure prescribed by SEBI and/or AMFI in this regard.

The nomination can be made only by individuals applying for / holding units on their own behalf singly or jointly in favour of one or more persons. Non-individuals, including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney, cannot nominate. Nomination form cannot be signed by Power of Attorney (PoA) holders. In case of accounts/folios held by Hindu Undivided Family, upon the death of the Karta as recorded, the new Karta as constituted under applicable law would be entitled to operate such account/ folio. In the absence of a new Karta, the AMC shall effect transmission of the account /folio as per the dissolution deed and other criteria as may be defined by AMFI, in consultation with SEBI.

In case a folio has joint holders, all joint holders should sign the request for nomination / cancellation of nomination, even if the mode of holding is not “joint”. A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the unit holder. The Applicant is advised that, in case of Single Holding, the Guardian to a Minor Nominee should be a person other than the Applicant.

Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of these offices or a religious or charitable trust.

The Nominee shall not be a trust (other than a religious or charitable trust), society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange controls in force, from time to time.

Nomination shall not be allowed in a folio/account held on behalf of a minor.

Nomination in respect of the units stands rescinded upon the transfer of units.

Transfer of units in favour of a Nominee shall be valid discharge by the AMC against the legal heir.

The cancellation of nomination can be made only by those individuals who hold units on their own behalf single or jointly and who made the original nomination.

Nomination in respect of units stands rescinded upon redemption of units. On cancellation of the nomination, the nomination shall stand rescinded and the AMC shall not be under any obligation to transfer the units in favour of the Nominee.

The nomination details as registered with the Depository Participant shall be applicable to unitholders who have opted to hold units in Demat mode.

The MF Regulations requires all mutual funds to provide an optional nomination facility to the unit holders to nominate a person in whose favour the units shall be transmitted in the event of death of the unitholder. Further, SEBI vide its circulars dated January 10, 2025 and AMFI vide its Best Practice Guidelines Circular No.105 /2022-23 dated January 9, 2023 and Circular No. 135/BP/ 110 /2023-24 dated January 31, 2024 provides guidelines to be followed by the AMC on Nomination.

1. With effect from October 01, 2022, any new investor investing in Mutual Fund Units will have the choice to either nominate a person or to opt out of nomination through a signed declaration form in the prescribed format, in physical or online mode. In case of physical option or offline option, the AMC shall verify the signatures as per the mode of holding while registering or changing nomination. When a unit holder is affixing his/her thumb impression on the nomination form the same shall be witnessed by two persons and details of such witnesses shall be duly captured in the nomination form. However, if the nomination form carried wet/ digital/ e-signature, then there is no requirement of witnesses..

The option to opt-out or to opt for nomination by individual investors on or after October 01, 2022 shall not apply in the following instances:

- (a) Folios getting created from triggers of SIPs registered prior to October 01, 2022.
- (b) Purchase or switch in transactions received prior to October 01, 2022 wherein the credit has been received on or after October 01, 2022.
- (c) Units held in demat (i.e., new folios created through demat mode).

In case of online option, the forms will be validated using e-Sign facility recognized under Information Technology Act, 2000 or Aadhar based e-sign, instead of wet signature(s) of all the unit holder(s) or through Digital Signature Certificate or through two factor authentication (2FA) in which one factor will be a one-time password (OTP) sent to the concerned unit holder at his/her email/ phone number, registered with the AMC. Furthermore, the AMC and its RTA shall on a fortnightly basis send communication to unitholders who have not opted for the nomination facility, to opt for nomination, in order to encourage them to opt for the same.

2. Nomination is mandatory for all single holdings while the requirement for nomination would still be optional for jointly held accounts/folios. With respect to unit holders having a single holding, the AMC shall provide such unit holders with the option to:

- (a) Empower any one of the nominees (excluding minor nominee) to operate the unit holder's account/folio, if the unit holder is physically incapacitated but has the capacity to contract;
- (b) Specify either the percentage or absolute value of assets in the account/folio that can be encashed by the nominee;
- (c) Change such mandate any number of times without any restriction.

3. For existing unit holders holding securities in a physical form (on or before June 10, 2024), such unit holders shall be eligible for receipt of any payment including dividend, interest or redemption payment as well as the right to lodge any complaint or avail any service request from the RTA, even if such unit holders have not opted for nomination.

For Units held in electronic (demat) Mode: For units of the Scheme(s) held in electronic (demat) form with the Depository, the nomination details provided by the Unit holder to the depository will be applicable to the Units of the Scheme. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and byelaws of the Depository. In case nomination has been made for DP account with joint holders, in case of death of any of the joint holder(s), the securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holders, the securities will be transmitted to the nominee. In case nomination is not made by the sole holder of DP account, the securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent court.

Transfer of Units / payment to the nominee of the sums shall discharge the Mutual Fund / AMC of all liability towards the estate of the deceased Unit holder and his/her/their successors/legal heirs.

The nomination facility extended under the Scheme(s) is subject to existing laws.

The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to effect the payment to the Nominee.

In case of Aditya Birla Sun Life Bal Bhavishya Yojna, the above stated provisions of nomination facility are applicable only upon minor unit holder attaining majority. After the unit holder attains majority – any time after the minor unit holder attains majority, the unit holder can write to the ISC requesting for a nomination form for the purpose of registering a nominee in accordance with the provisions stated hereinabove.

JOINT HOLDERS

In the event the account has more than one registered holder the first-named Unit holder shall receive the account statements, all notices and correspondence with respect to the account, as well as the proceeds of any Redemption or IDCW or other distributions, as applicable. In addition, such holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines. For units held under ABSL Bal Bhavishya Yojna, all communications shall be sent to the Unitholder i.e. the beneficiary child through his/her guardian registered under the folio.

In case of death / insolvency of any one or more of the persons named in the Register of Unit holders as the joint holders of any Units, the AMC shall not be bound to recognise any person(s) other than the remaining holders. In all such cases, the proceeds of the Redemption will be paid to the first-named of such remaining Unit holders.

For DP account held in joint names, the rules and bye-laws of the Depository for operation of such DP accounts will be applicable.

However, in all cases, the proceeds of redemption or IDCW or other distributions will be paid to the first named unit holders. All payments and settlements made to the first named unit holder would constitute valid discharge by the Fund.

PLEDGE OF UNITS

The Units under the Scheme may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFC's), or any other body subject to completion of lock-in-period, if applicable. The AMC and / or the ISC will note and record such Pledged Units. A standard form for this purpose is available on request from any of the ISCs. The AMC shall mark a lien only upon receiving the duly completed form and documents as it may require, subject to the sole discretion of the AMC and investor being KYC Compliant. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Mutual Fund assumes no responsibility thereof.

The Pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorisation to the Mutual Fund that the pledge / charge may be removed.

In case of any subsisting credit facilities secured by a duly created pledge, the AMC shall obtain due discharge from the creditors prior to transmission of assets to the nominee(s) or legal heir(s) or legal representatives, as the case may be.

TRANSFER AND TRANSMISSION OF UNITS

The Units of the Scheme in demat form can be transferred in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time and as stated in Clause 14.4.4. of SEBI Master Circular for Mutual Funds dated June 27, 2024.

The facility for transfer of units held in Statement of Account ('SoA') mode is available under all strategies, , additions/ deletion of names will not be allowed under any folio of the Scheme except for categories as mentioned below:

- If a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units.
- Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence.
- surviving joint holder, who wants to add new joint holder (s) in the folio upon demise of one or more joint unitholder (s).
- Nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee;
- a minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s).

Redemption of the transferred units shall be subject to a cooling period of 10 business days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently.

Units of the Scheme may, if decided by the AMC, be held with a Depository. Under such circumstances, Units will be transferable in accordance with the provisions of the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time.

If a person becomes a holder of the Units consequent to the operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence and completion of formalities as specified by the AMC.

Upon transmission of any joint account/folio, the nominees shall have the option to either continue as joint holders with the other nominees or open separate single account/folio, for their respective portion.

Further in accordance with the AMFI Best Practice Circular No. 135/BP/ 110 /2023-24 dated January 31, 2024 on "Clarification in respect of AMFI Best Practices Guidelines circular No. 53 dated February 11, 2015 read with AMFI Best Practices Guidelines 20 dated February 9, 2011 regarding "Transmission of Units" and as per Para 17.16 of the Master Circular for Mutual Funds dated June 27, 2024, the following will be applicable:

1. Deletion of names of the deceased unit holders in case of death of 2nd and/or 3rd Holder

- i) Request Form (Form T1) from surviving unitholder(s) requesting for Deletion of Name of Deceased 2nd and/or 3rd Holder.

- ii) Death Certificate in original or photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original. Fresh Bank Mandate Form along with cancelled cheque of the new bank account (only if there is a change in existing bank mandate)
- iii) Fresh Nomination Form (or Nomination Opt-out form) in case there is no nomination or a change in existing nomination is desired by the surviving unit holders.
- iv) KYC Acknowledgment or KYC Form of the surviving unit holder(s), *if not KYC compliant*. Transmission will be completed only once the status of the KYC is “KYC complied”.
- v) Additional documentation required:
ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid Officially Valid Document (OVD) as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and Original Seen and verified (OSV) seal attested by them.

2. Transmission of Units to surviving unit holder(s) in case of death of the 1st holder

- i Transmission Request Form (Form T2) for Transmission of Units to the surviving unitholder/s.
- ii Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original Self-attested copy of PAN Card of the Surviving Joint Holder(s) (*if PAN is not provided already*)
- iii Cancelled cheque of the new first unitholder, with the claimant’s name pre-printed **OR** Recent Bank Statement/Passbook (not more than 3 months old) of the new first holder.
- iv KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.
- v Transmission will be completed only once the status of the KYC is “KYC complied”.
- vi Additional documentation required:
ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and OSV seal attested by them.

3. Transmission of Units to the registered Nominee/s in case of death of sole or all unitholders

- i Transmission Request Form (Form T3) for Transmission of Units in favour of the Nominee(s).
- ii Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original Copy of Birth Certificate, in case the Nominee is a minor.
- iii Self-attested copy of PAN Card of the Nominee(s) / Guardian (in case the Nominee is a minor)
- iv KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor). Transmission will be completed only once the status of the KYC is “KYC complied”. cancelled cheque with the Nominee’s name pre-printed OR copy of the Nominee’s recent Bank Statement/Passbook (which is not more than 3 months old).
- v If the transmission amount is upto ₹ 5 Lakh, Nominee’s signature attested by the Bank Manager as per Annexure-I(a). In case the Nominee is a minor, signature of the guardian (as per the bank account of the Minor or the joint account of the minor with the guardian) shall be attested.
- vi If the transmission amount is for more than ₹ 5 Lakh, as an operational risk mitigation measure, signature of the Nominee shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) with seal and date in the space provided for signature attestation in the TRF itself below the signature of the claimant.
- vii Additional documentation required:
ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and OSV seal attested by them.

4. Transmission of Units to the claimant/s on death of the Sole unitholder or All unitholders, where there is NO nomination has been registered

- i. Transmission Request Form (Form T3) for Transmission of Units to the claimant. Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original copy of Birth Certificate in case the claimant is a minor.

- ii. Self-attested copy of PAN card of the claimant / guardian (in case the claimant is a minor).KYC Acknowledgment OR KYC Form of the claimant / guardian (in case the claimant is a minor). Transmission will be completed only after the KYC status is updated as “KYC complied”.
- iii. Cancelled cheque with the claimant’s name pre-printed OR copy of the claimant’s recent Bank Statement/Passbook (which is not more than 3 months old).
- iv. Additional documentation required:
- v. ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and OSV seal attested by them

IF THE TRANSMISSION AMOUNT IS UP TO ₹ 5 LAKH

- a)Bank Attestation of signature of the claimant by the Bank Manager as per Annexure-I(a). In case the claimant is a minor, the signature of the guardian (as per the bank account of the minor or the joint account of the minor with the Guardian) shall be attested.
- b)Any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
- c)Bond of Indemnity as per Annexure-II → to be furnished by Legal Heirs for Transmission of Units without production of Legal Representation.
Provided that in case the legal heir(s)/claimant(s) is submitting the Succession Certificate or Probate of Will or Letter of Administration or appropriate Court order wherein the claimant is named as a beneficiary, an affidavit as per Annexure-III from such legal heir/claimant(s) alone would be sufficient, i.e., Bond of Indemnity is not required.
- d)Individual Affidavit to be given by **each** legal heir as per Annexure-III
- e)NOC from other legal heirs as per Annexure – IV, where applicable

IF THE TRANSMISSION AMOUNT IS MORE THAN ₹ 5 LAKH

- a) Signature of the claimant duly attested by a Notary Public or a JMFC with seal and date in the space provided for signature attestation in the Form T3 itself below the signature of the claimant. In case the claimant is a minor, the signature of the guardian (as per the bank account of the minor or the joint account of the minor with the guardian) shall be attested
- b) Individual affidavits to be given **each** legal heir as per Annexure-III
- c) (i) Where transmission value at the PAN-level is more than ₹5 lakh, but less than ₹10 lakhs, any one of the documents mentioned below

Notarised copy of Registered Will along with a Notarized indemnity bond from the claimant (appropriate beneficiary of the will) to whom the securities are to be transmitted, as per the format specified.
OR

Legal Heirship Certificate or its equivalent, along with:

- (i) a Notarized indemnity bond from the legal heir(s) / claimant(s) to whom the securities are to be transmitted, as per the format specified provided and
- (ii) No Objection Certificate from all the non-claimants (i.e., remaining legal heirs), duly attested by a Notary Public, JMFC or by a Gazetted Officer as per the format specified

- (ii) Where transmission value at the PAN-level is more than ₹10 lakhs, any one of the documents mentioned below
Notarised copy of Probated Will; OR
Succession Certificate issued by a competent court, **OR**
Letter of Administration or court decree, in case of Intestate Succession

- d) Identity proof (e.g., copy of PAN card, redacted Aadhaar card, passport) of all legal heirs signing the NOC/affidavit other than claimant/s (i.e., legal heirs other than the claimant mentioned in Probate or Letters of Administration or Succession Certificate).

5. Change of Karta upon death of the Karta of Hindu Undivided Family (HUF)

If the case of a HUF, the property of the HUF is managed by the Karta and the HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will need to appoint a new Karta, who needs to submit following documents for transmission:

- i Request Form (Form T4) for change of Karta upon demise of the registered Karta.
- ii Death Certificate of the deceased Karta in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original.
- iii Bank's letter certifying that the signature and details of the new Karta have been updated in the bank account of the HUF & attesting the signature of the new Karta as per Annexure-1(b)
- iv KYC acknowledgment OR KYC form of the new Karta and the HUF, if not KYC-compliant. Transmission will be completed only after the KYC status is updated as "KYC complied".
- v Indemnity Bond as per Annexure V signed by all surviving coparceners (including the new Karta).
- vi Any appropriate document evidencing relationship of the new Karta and the other coparceners with the deceased Karta

Additional documentation required:

ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased Karta attested by the new Karta , duly notarized or originals to be shown at the AMC branches.

If the transmission amount is for more than ₹ 5 lakh, the signature of the new Karta shall be attested by a Notary Public or a JMFC in the space provided for signature attestation in the TRF itself below the signature of the claimant.

6. Transmission of Units to the claimant/s upon death of the Karta of HUF, where there is no surviving coparcener or the HUF has been dissolved/partitioned after demise of the Karta

- i. Transmission Request Form (Form T5) for Transmission of Units to the Claimant.
- ii. Death certificate of the deceased Karta in original OR photocopy thereof attested by a notary public/gazette officer in original copy of birth certificate.
- iii. Self -attested copy of PAN Card of the claimant(s) / guardian (in case the claimant is a minor).
- iv. KYC acknowledgment or KYC form of the claimant(s) /guardian (in case the claimant is a minor). Transmission will be completed only after the status of the KYC is updated as "KYC complied".
- v. Cancelled cheque with the claimant's name pre-printed thereon OR copy of the claimant's recent bank statement/passbook which is not more than 3 months old.
- vi. If the transmission amount is upto ₹ 5 lakh, attestation of the signature of the claimant by bank manager as per Annexure-I(a). In case the claimant is a minor, the signature of the guardian (as per the minor's bank account / minors joint account with the guardian) shall be attested.

If the transmission amount is for more than ₹ 5 lakh, the signature of the claimant shall be attested by a Notary Public or a JMFC in the space provided for signature attestation in the TRF itself below the signature of the claimant.

- vii. Bond of Indemnity to be furnished by the Claimant as per Annexure-VI
- viii. If the HUF has been dissolved/partitioned by the surviving members after demise of the Karta, the transmission of units shall be processed on the basis of any of the following documents:
 - a)Notarized copy of Settlement Deed, OR
 - b)Notarized copy of Deed of Partition, OR
 - c)Notarized copy of Decree of the relevant competent Court.

Additional documentation required:

ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and Original Seen & Verified stamp attested by them.

- Aditya Birla Sun Life AMC Limited will not accept any “Transmission-cum-Redemption” requests. The request for redemption of Units will be accepted only after processing the request for transmission of Units with proper documentation.
- The AMC will implement image based processing wherever the claimant is a nominee or a joint holder in the investor folio.
- The AMC will have a dedicated, Central Help Desk and a webpage carrying relevant information and instructions in order to provide assistance on the transmission process.
- The AMC will adopt a common Transmission Request Form and NOC form. All such forms and formats will be made available on the website of the AMC, RTA and AMFI.
- The AMC will implement a uniform process for treatment of unclaimed funds to be transferred to the claimant including the unclaimed IDCW.
- The AMC will not accept requests for redemption from a claimant pending completion of the transmission of units in his /her favour.
- The Stamp duty payable by the claimant with respect to the indemnity bond and affidavit, will be in accordance with the stamp duty prescribed by law.
- For list of documents required for transmission of units, investors are required to refer website of the Fund [www.https://apexsif.adityabirlacapital.com/](https://apexsif.adityabirlacapital.com/)

2. ACTION TO BE TAKEN IN CASES WHERE DISTRIBUTOR(S) IS FOUND TO BE A JOINT HOLDER IN MULTIPLE FOLIOS OF UNRELATED 1ST HOLDER

The AMC shall ensure that its RTA’s systems and process have built-in checks to detect cases upfront where mutual fund distributor’s names have been added as 2nd or 3rd holders, without the knowledge of or consent of the concerned unit holder, by matching the PAN of the said distributor as per AMFI ARN/EUIN database and verification of other holders’ details to ascertain whether the distributor is a joint holder in the folio.

In case it is found that the name of the distributor has been indicated as a holder in an unauthorized manner, the below steps shall be followed by the AMC:

- (a) AMC shall take up the matter with the concerned distributor on an urgent basis and seek a written explanation as to why his/her name has been added as the 2nd /3rd holder in such folios.
- (b) The distributor shall also be advised to obtain a written confirmation from the 1st holder (excluding in cases where the 1st holder is a relative, whether the name of the distributor has been added in the folio/s with his/her knowledge and consent and submit the same to the respective RTAs. The RTAs shall keep track of such cases and verify / validate the signature of the 1st holder on the declaration carefully.
- (c) If the 1st holder confirms in writing that he/she had not consented to adding the distributor’s name in the folio as a joint holder, and wants the distributor’s name to be deleted from the folio, the AMC/ RTA shall act on such requests promptly and delete the distributor’s name from the folio under intimation to the 1st holder as well as the distributor.
- (d) Unless steps specified in (a), (b) and (c) have not been completed, transactions such as redemption/ change in bank mandate/transmission in such folios will be subject to enhanced due diligence to determine the genuine nature of such transaction requests.
- (e) Redemptions shall only be by way of written confirmations, with the signature in such confirmation being verified with the signature registered in the folio. No oral / email confirmation should be accepted since these alerts shall be validated, to avoid any fraudulent cases where the distributor may have added his/her name as a joint holder unauthorizedly and there could be a possibility that the email and the mobile number in such folios does not belong to the 1st holder.

Further, for such folios, the RTA shall mark the folio with a temporary 'STOP/lock' (not freeze), so that transactions in these folios are subject to enhanced scrutiny and due diligence. AMC/RTA shall re-verify the registered bank account in respect of the folios by scrutinising the cancelled cheque (where applicable) afresh to ascertain whether the distributor is a joint holder in the bank account and also re-validate the bank account via penny drop / IMPS transaction afresh, using PAN-based validation, so as to confirm that the registered bank account belongs to the 1st holder only and whether the distributor is a joint holder in the bank account. If the distributor is found to be the joint holder in the registered bank account as well, it implies / will be deemed that the name of the distributor has been added in the folio/s with the knowledge and consent of the first holder, and no action need to be taken in respect such folios.

Further, with respect to the action to be taken by the AMC against the errant distributor(s):

(a) trail commission of the distributor to be withheld.

(b) AMC may dis-empower the distributor and report the matter to AMFI with complete details including recommendation for suspension/termination of the distributor's AMFI registration with reasons/justification.

3.DURATION OF THE SCHEME

In case of open-ended schemes, the duration of the Scheme is perpetual, unless wound up in accordance with the MF Regulations.

REDEMPTION OF UNITS

The Units can be repurchased/redeemed (i.e., sold back to the Mutual Fund) or switched-out as per redemption frequency mentioned in ISID, at the Applicable NAV subject to payment of exit load, if any and lock-in period, if any. In case of redemption of units, the AMC shall use two-factor authentication (for online transactions) and signature method (for offline transactions), for the purpose of authentication. For demat units, the process of authentication as specified by the depository shall be followed.

The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023 For schemes investing atleast 80% of total assets in permissible overseas investments (as per Clause 12.19 of SEBI Master Circular for Mutual Funds), the transfer of redemption or repurchase proceeds to the unitholders shall be made within five working days from the date of redemption or repurchase.. In case of a delay in transferring the redemption proceeds within 3 (three) working days or transfer of dividend within 7 (seven) working days, an interest at the rate of 15% per annum along with the proceeds of redemption/ dividend shall be payable to unitholders by the AMC. The list of exceptional situations and additional timelines for making redemption payment as specified by AMFI, shall be adhered to by the AMC.

The Units so repurchased shall not be reissued. Redemption requests can be made in amounts/Units. The Redemption / Switch-out request can be made by way of a written request on a pre-printed form or by using the relevant tear off section of the Transaction Slip, which should be submitted at / may be sent by mail to any of the ISCs.

In case the Units are held in the names of more than one Unit holder, where mode of holding is specified as "Joint", redemption requests will have to be signed by all the joint holders. However, in cases of holding specified as 'Anyone or Survivor', any of the Unit holders will have the power to make Redemption request, without it being necessary for all the Unit holders to sign. However, in all cases, the Redemption proceeds will be paid only to the first named holder.

In case an investor has purchased Units of a scheme of Aditya Birla Sun Life Mutual Fund on more than one Business Day (either during the New Fund Offer Period, or on an ongoing basis), the Units purchased prior in time will be redeemed/switched-out first. Thus, in case of valid application for redemption/switch-out is made by the investor, those Units of the scheme which have been held for the longest period of time will be redeemed/switched-out first i.e. on a First-in-First-Out basis.

The Redemption would be permitted to the extent of clear credit balance in the Unit holder's account. The Redemption request can be made by specifying the rupee amount or by specifying the number of Units to be redeemed. If a Redemption request is for both, a specified rupee amount and a specified number of Units, the specified number of Units will be considered the definitive request. If only the Redemption amount is specified by the Unit holder, the AMC will divide the Redemption amount so specified by the Redemption Price to arrive at the number of Units. The

request for Redemption of Units could also be in fractions, upto three decimal places. However, in case of units held in electronic (demat) mode, the redemption request can be given only in number of Units. Also Switch transactions are currently not available in case of units held in electronic (demat) mode. The minimum amount of Redemption may be changed in future by the AMC. If the balance in the account of the Unit holder does not cover the amount of Redemption request, then the Mutual Fund is authorised to close the account of the Unit holder and send the entire such (lesser) balance to the Unit holder.

In accordance with the ELSS Guidelines, unitholders of Aditya Birla Sun Life Tax Relief '96 and Aditya Birla Sun Life Tax Plan can redeem/ switch-out their Units at the Redemption Price only after the expiry of three years from the date of allotment of Units. It may, however, be noted that in the event of death of the Unit holder, the nominee or legal heir, (subject to production of requisite documentary evidence to the satisfaction of the AMC) as the case may be, shall be able to redeem the investment only after the completion of one year or any time thereafter, from the date of allotment of the Units to the deceased Unit Holder.

Redemption Price

Redemption Price will be calculated on the basis of the applicable NAV and exit load. The Redemption Price per Unit will be calculated using the following formula:

Redemption Price = Applicable NAV * (1 - Exit Load, if any)

Example of Calculation of Redemption Price:

If the Applicable NAV is Rs. 10.00; Exit / Redemption Load is 2 percent, then the Redemption Price will be calculated as follows:

= Rs. 10.00 * (1-0.02)

= Rs. 10.00 * (0.98)

= Rs. 9.80

Payment of Redemption Proceeds

(a) For Investors having a bank account with a bank with whom the AMC would have an arrangement from time to time.

Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time may avail the facility of Direct Credit to their account for Redemption of the Units of the Scheme. In such cases the Mutual Fund will under normal circumstances endeavor to credit the first/sole Unit holders account with the Redemption proceeds within one Business Day of the acceptance of Redemption request.

(b) For other Investors not covered by (a) above:

Redemption proceeds will be paid by cheque and payments will be made in favour of the Unitholders registered name and bank account number.

Please note that it is mandatory for the investors to provide their complete Bank account details.

AMC will endeavor to credit the redemptions payouts directly to the designated Bank A/c of the unitholders of Aditya Birla Sun Life Mutual Fund schemes through any of the available electronic mode (i.e. RTGS / NEFT / Direct Credit). AMC reserves the right to use any of the above mode of payment as deemed appropriate for all folios where the required information is available.

Redemption cheques, if any, will be sent to the Unitholders addresses (or, if there is more than one holder on record, the address of the first-named holder). All Redemption payments will be made in favour of the registered holder of the Units or, if there is more than one registered holder, to the first registered holder).

Redemptions by NRIs/ FPIs

Credit balances in the account of an NRI / FPI, may be redeemed by such Unit holder in accordance with the procedure described above and subject to any procedures laid down by the RBI, if any.

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

In the case of NRIs:

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

In the case of FPIs

Credit the net amount of redemption proceeds of such Units to the foreign currency account or Non-Resident Rupee Account of the FPI investor.

Right to Limit Redemptions

Subject to the approval of the Board of Directors of Aditya Birla Sun Life AMC Limited and the Aditya Birla Sun Life Trustee Private Limited and also subject to necessary communication of the same to SEBI, the redemption of / switch-out of Units of Scheme(s) of the Fund, may be temporarily suspended/ restricted under the following circumstances that leads to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets subject to requirements specified by SEBI:

a) Liquidity issues - When markets at large become illiquid affecting almost all securities rather than any issuer specific security. The liquidity issue arising from the market shall be dealt with in line with the internal liquidity management practices of the AMC. It is clarified that redemption due to illiquidity of any specific security in the portfolio of a scheme of the Mutual Fund, due to a poor investment decision, will not be allowed.

b) 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.

c) Operational issues - When exceptional circumstances are caused by *force majeure*, unpredictable operational problems and technical failures (e.g. a black out). The AMC shall consider cases only if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate effective disaster recovery procedures and systems.

Under the aforesaid circumstances, the AMC / Trustee Company may restrict redemption for a specified period of time not exceeding 10 working days in any 90 days period. Any imposition of restriction would require specific approval of Board of AMC and Trustee Company and the same should be informed to SEBI immediately. Unitholders should note that the following provisions shall be applicable when redemption requests are placed during such restricted period.

- (i) No redemption requests upto Rs. 2 lakh shall be subject to such restriction and
- (ii) Where redemption requests are above Rs. 2 lakh, AMC shall redeem the first Rs. 2 lakh without such restriction and remaining part over and above Rs. 2 lakh shall be subject to such restriction.

The AMC / Trustee Company reserves the right to change / modify the provisions of right to limit Redemption / switch-out of units of the Scheme(s) pursuant to direction/ approval of SEBI.

UNCLAIMED REDEMPTION / IDCW AMOUNT

The unclaimed redemption amount and IDCW amounts may be deployed by the Mutual Fund in call money market or money market instruments or a separate plan of only Overnight scheme/Liquid scheme / Money Market Mutual Fund scheme floated by mutual funds specifically for deployment of the unclaimed amounts. Provided that such schemes where the unclaimed redemption and dividend amounts are deployed shall be only those Overnight scheme/ Liquid

scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per of the SEBI Master Circular for Mutual Funds dated June 27, 2024. No exit load shall be charged on these plans and Total Expense Ratio (TER) of such plan shall be capped as per the TER of direct plan of such scheme or at

50bps whichever is lower. Further, for the unclaimed redemption and dividend amounts deployed by the Mutual Fund in call money market or money market instruments, the investment management and advisory fee charged by the AMC for managing the unclaimed amounts, shall not exceed 50 basis points.

The investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education.

The detailed process pertaining to claiming the unclaimed amount and the necessary forms / documents required for the same is available on website of the Fund <https://apexsif.adityabirlacapital.com/> and on www.amfiindia.com

Unit holders of the Mutual Fund can also access details to their inactive folios via the MITRA (Mutual Fund Investment Tracing and Retrieval Assistant) Platform. In this regard, an 'inactive folio' means an investor's mutual fund folio where no transaction has been initiated (financial or non-financial) in the last 10 years but unit balance is available.

SUSPENSION OF SALE /SWITCHING OPTION OF UNITS

The Mutual Fund at its sole discretion reserves the right to withdraw Sale and/ or Switching of the Units in the Scheme (including any one Plan of the Scheme) temporarily or indefinitely when any of the following conditions exist. However, the suspension of Sale/ Switching of Units either temporarily or indefinitely will be with the approval of the Board of Directors of the AMC and the Trustee.

- 1 When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays.
- 2 When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable or would not reasonably be practicable without being detrimental to the interests of the Unit holders.
- 3 In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated.
- 4 During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme.
- 5 In case of natural calamities, strikes, riots and bandhs.
- 6 In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC.
- 7 If so directed by SEBI.

The AMC reserves the right in its sole discretion to withdraw the facility of Sale and Switching option of Units into and out of the Scheme [including any one Plan/Option of the Scheme], temporarily or indefinitely, if AMC views that changing the size of the corpus further may prove detrimental to the existing Unit holders of the Scheme.

E-MAIL COMMUNICATION

Should the Unit holder experience any difficulty in accessing in the electronically delivered documents, the unit holder shall promptly inform the same to the Mutual Fund. It is deemed that the Unit holder is aware of all security risks including possible third-party interception of the documents and contents of the documents becoming known to third parties.

PREVENTION OF MONEY LAUNDERING AND KNOW YOUR CUSTOMER

Prevention of Money Laundering Act, 2002 (hereinafter referred to as the PMLA) came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, and Government of India. SEBI vide its Master Circular on Know Your Client (KYC) norms for the securities market dated October 12, 2023 (SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169) has mandated that all intermediaries including Mutual Funds should formulate and implement a proper policy framework as per the guidelines on anti-money laundering measures and also to adopt a Know Your Customer (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by clients. Further SEBI vide its Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules thereunder dated June 06, 2024 (SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78) has , advised all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the SEBI Act, 1992 inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

The investor(s) should ensure that the amount invested in the scheme is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and / or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued thereunder. To ensure appropriate identification of the investor(s) under its KYC policy and with a view to monitor transactions for the prevention of money laundering, ABSLAMC as the investment manager of Aditya Birla Sun Life Mutual Fund reserves the right to seek information, record investor's telephonic calls and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose.

The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/ passport/ driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by ABSLAMC. If the investor(s) or the person making payment on behalf of the investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by ABSLAMC to the investor(s), and after applying appropriate due diligence measures, ABSLAMC believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, ABSLAMC shall have absolute discretion to report suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any, in terms of the said communication sent by the AMC to the investor(s) in this regard.

Aditya Birla Sun Life Mutual Fund, Aditya Birla Sun Life AMC Limited , Aditya Birla Sun Life Trustee Private Limited and their Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the folios / rejection of any application / allotment of units or mandatory redemption of units due to non-compliance with the provisions of the PMLA, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND.

The KYC documentation shall also be mandatorily complied with by the unitholders entering the Register of Members by virtue of operation of law e.g. transmission, etc.

The Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 have come into force with effect from June 01, 2017. These Rules, inter alia, make it mandatory for investors to submit Aadhaar number issued by the Unique Identification Authority of India (UIDAI) in respect of their investments.

Further, pursuant to the notification on Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2019 dated February 14, 2019, Aadhaar can be accepted as a valid document for proof of address or proof

of identity, provided the investor redact or blackout his Aadhaar number while submitting the applications for investments.

The aforesaid guidelines will be subject to change as per the directives issued by the concerned regulatory/government authority from time to time.

Further, the investors who have not provided their PAN or PAN Exempt KYC Reference Number (PEKRN) for their existing folios are requested to provide the same for updation.

Suspicious Transaction Reporting

If after due diligence, the AMC believes that the transaction is suspicious in nature as regards money laundering, the AMC shall report any suspicious transactions to competent authorities under the PMLA and rules / guidelines issued thereunder by legal authorities, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under the PMLA without obtaining the prior approval of the Unit Holder / a person making the payment on behalf of the Unit holder. Further, the factual question of whether a particular transaction is suspicious or not would depend on the background, details of the transactions and other related facts and circumstances.

Further, the AMC shall ensure that it observes and adheres to the Minimum Standard Recommendations on Anti-Money Laundering, Combating Financing of Terrorism and KYC Policy issued by AMFI, from time to time.

Litigations

The ABSLAMC shall have the right to freeze/lock/restrict the folio(s) of investor(s)/Unitholder(s) for further transactions or reject any applications including for subscription, redemption of units or transmission of units pursuant to receipt of instructions/ directions/orders issued by any Governmental, judicial, quasi-judicial, regulatory or other similar authority ("Authority"), including orders restricting the investor(s)/Unitholder(s) from dealing in securities or for attachment of units held by the investor(s)/Unitholder(s). Additionally, the ABSLAMC shall be entitled to freeze/lock/restrict the folio(s) of investor(s)/Unitholder(s) for further transactions or reject any applications including for subscription, redemption of units or transmission of units at its sole and absolute discretion upon the ABSLAMC becoming aware of initiation of any investigation/action/litigation relating to the investments or transactions of the Unitholder by any Authority, upon receipt of any complaints (including fraud or forgery), or upon commencement of any disputes /litigations among unitholders/nominees/legal heir/ other claimants to the units relating to the investments or transactions of the Unitholder, including disputes/litigations where ABSLAMC or Aditya Birla Sun Life Mutual Fund or Aditya Birla Sun Life Trustee Private Limited has been impleaded as a party or is a necessary party. On receipt of contrary instructions for any applications and/or transactions from investor(s)/Unitholder(s) in a folio, ABSLAMC shall have the right to freeze/lock/restrict the folio(s) of investor(s)/Unitholder(s) including rejecting any application and/or transaction at its discretion. The freeze/lock/rejection/restriction so imposed by the ABSLAMC as hereinabove mentioned may continue till receipt of a specific written instruction/direction/order from such Authority or NOC from all concerned Parties or such other documents as may be deemed necessary by the AMC authorizing the removal of such freeze/lock/rejection/restriction and/ or completion of the investigation by ABSLAMC as the case may be. It is hereby clarified that the ABSLAMC /Aditya Birla Sun Life Mutual Fund /Aditya Birla Sun Life Trustee Private Limited shall not be liable for any loss or damage suffered by Unitholder, either directly or indirectly, on account of such freeze/lock/rejection/restriction as the case may be.

Ultimate Beneficial Owner(s) (UBO(s))

As a part of Client Due Diligence (CDD) Process under PML Act 2002 read with PML Rules, 2005 each of the SEBI registered intermediaries, which inter-alia includes Mutual Funds, is required to obtain sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account. Providing information about beneficial ownership is mandatory for all categories

of investors except (i) Individuals and (ii) a Company, which is listed on a stock exchange or is a majority owned subsidiary of such a Company.

Further, pursuant to SEBI Master Circular on Know Your Client (KYC) norms for the securities market dated October 12, 2023 and Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules thereunder dated June 06, 2024 investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) (“UBO(s)”) and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

In order to comply with the above Act/Rules/Regulations & Guidelines, the following CDD process is being implemented by Aditya Birla Sun Life Mutual Fund.

I. Applicability:

1. Providing information about beneficial ownership will be applicable to the subscriptions received from all categories of investors except Individuals and a Company listed on a stock exchange or is a majority owned subsidiary of such a Company. The Boards of the AMC and Trustee Company shall monitor compliance of the AMC’s client identification and verification procedures, in the context of beneficial ownership, in line with applicable law.

2. Proof of Identity of the UBO such as Name/s, Address & PAN/Passport together with self-attested copy* along with the ‘Ultimate Beneficial Ownership’ declaration form is required to be submitted to ABSLAMC/its RTA. (* Original to be shown for verification and immediate return.)

3. In case of any change in the beneficial ownership, the investor should immediately intimate ABSLAMC / its Registrar / KRA, as may be applicable, about such changes.

II. Identification Process:

(A) For Investors other than Individuals or Trusts:

(i) If the investor is an unlisted company, partnership firm or unincorporated association / body of individuals, the beneficial owners are the natural person/s who is/ are acting alone or together, or through one or more juridical person and exercising control through ownership or who ultimately has a controlling ownership interest.

(ii) Controlling ownership interest means ownership of / entitlement to:

a) more than 10% of shares or capital or profits of the juridical person, where juridical person is a company.

b) more than 10% of the capital or profits of the juridical person, where the juridical person is a partnership firm; or

c) more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

(iii) In cases, where there exists doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity details should be provided of the natural person who is exercising control over the juridical person through other means (i.e. control exercised through voting rights, agreement, arrangements or in any other manner).

(iv) In case no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

(v) In case of listed entity or subsidiary of a listed entity, it is not necessary to identify and verify the identity of any shareholder or beneficial owner.

(B) For Investor which is a Trust:

In case of a Trust, the settler/author of the trust, the trustee, the protector and the beneficiaries with 10% or more interest in the trust or any other natural person exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner.

(C) For Foreign Investors:

The Know Your Client requirements in case of foreign investors (FPIs), shall be as specified in the SEBI circular (SEBI/HO/AFD-2/CIR/P/2022/175) dated December 19, 2022, for the purpose of identification of beneficial ownership of the investor.

For collection of information/documentation from investors/ Unitholders, SEBI has prescribed uniform Know Your Client (KYC) requirements vide Circular No(s). CIR/MIRSD/16/2011 dated August 22, 2011 and MIRSD/SE/Cir-21/2011 dated October 5, 2011 to be used by the concerned registered intermediaries. Further, the intermediaries are also advised vide SEBI Circular No. CIR/MIRSD/ 07 /2013 dated September 12, 2013 read with the guidance on KYC requirements issued by SEBI to follow a risk based approach towards KYC requirements of Eligible Foreign Investors (EFI)/Foreign Portfolio Investors (FPIs) by classifying them into Category I, II and III.

SEBI has also notified the SEBI KYC Registration Agency (KRA) Regulations, 2011 and have issued guidelines under these regulations from time to time. For more details on 'Ultimate Beneficial Owners (UBO(s))' investors may log on to 'Investor Corner' Section on our website [www.https://apexsif.adityabirlacapital.com/](https://apexsif.adityabirlacapital.com/)

EUIN Requirement:

Pursuant to the Master Circular, mutual funds are directed to capture the unique identity number (EUIN) of the employee/relationship manager/sales person of the distributor (Sales Person) interacting with the investor for the sale of mutual fund products in addition to the AMFI Registration Number (ARN) of the distributor in the application form.

Investors procuring advisory services from non Individual distributors are requested to note that EUIN would assist in tackling the problem of mis-selling even if the employee/relationship manager/sales person leave the employment of the distributor.

Hence, if investments are routed through a distributor, investors are requested to ensure that the ARN code, Sub broker ARN code, and EUIN is correctly filled up in the Application Form. Further, investors are requested to use application forms/ transaction forms which will have spaces for the Sub broker ARN code and the EUIN.

As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units.

If the Unit holder fails to provide the Bank mandate, the request for redemption would be considered as not valid and the Mutual Fund retains the right to reject/withhold the redemption until a proper bank mandate is furnished by the Unit holder and the provision with respect of penal interest in such cases will not be applicable/ entertained.

AMC reserves right to decide the mode of payment viz, Direct Credit /ECS/NEFT or cheque and no specific consent is required in case of electronic mode is opted.

Permanent Account Number (PAN)

Permanent Account Number (PAN) is the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction, effective July 02, 2007. Permanent Account Number (PAN) is mandatory for all the purchases/additional purchases irrespective of the amount of investments for all the existing and prospective investors (including NRIs) including joint holders and guardians in case of investments by Minors.

In accordance with SEBI circular No. MRD/DoP/MF/Cir-08/2008 dated April 03, 2008, it has been notified to exempt investors residing in the state of Sikkim from the mandatory requirement of PAN for their

investments in mutual funds also. However, this is subject to the Fund verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence. Mutual Funds are also advised to ensure strict compliance with the applicable 'Know Your Client' norms.

As per 16.1.5 of the Master Circular, all new folios/ accounts shall be opened only after ensuring that all investor related documents including account opening documents, PAN, KYC, PoA (if applicable), specimen signature are available with AMCs/RTAs and not just with the distributor. For existing folios, AMCs shall be responsible for updation of the investor related documents including account opening documents, PAN, KYC, PoA (if applicable), specimen signature.

With effect from January 1, 2011, KYC norms are mandatory for ALL investors, who wish to make investments in Mutual Funds, irrespective of the amount of investment. Investments where KYC is not completed is liable to be rejected.

Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005

The Ministry of Finance has issued an order dated January 30, 2023, detailing the procedure for implementation of Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 ("WMD Act"). The WMD Act seeks to prohibit unlawful manufacture, transport, or transfer of WMD (chemical, biological and nuclear weapons) and their means of delivery. Under the amendments of 2022, the scope of the WMD Act has been enhanced to include the financing of such banned activity.

Pursuant to the order dated January 30, 2023, SEBI has issued a circular dated April 26, 2023, providing directions to SEBI registered intermediaries, restricting onboarding and freezing assets of any investor which is:

- a) owned or controlled, wholly or jointly, directly or indirectly, by such person; or
- b) held by or on behalf of, or at the direction of, such person; or
- c) derived or generated from the funds or other assets owned or controlled, directly or indirectly, by such person.

The Digital Personal Data Protection Act, 2023

The Digital Personal Data Protection Act, 2023 has been notified on August 11, 2023, and seeks to protect personal data of an individual. The Mutual Fund including its service providers shall be subject to the norms specified in the said Act, including but not limited to seeking consent, purpose for seeking such personal data, roles and responsibilities of data fiduciary and data processor etc. The individuals (referred to as data principal) have been granted inter alia following rights:

- a. Right to receive information on summary of personal data being processed and various processing activities being undertaken;
- b. Identifying all data fiduciary and data processor with whom person data shall be shared;
- c. Right to correction and erasure of personal data;
- d. Right of grievance redressal; and
- e. Right to nominate

Various rules providing operational clarity including setting up of Data Protection Board of India shall be notified shortly.

C. General Information

1. Inter-Scheme Transfer of Investments:

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if:

- such transfers are done at the prevailing market price for quoted instruments on spot basis; where

"spot basis" shall have the same meaning as specified by stock exchange for spot transactions.

Explanation: "spot basis" shall have same meaning as specified by stock exchange for spot transactions.

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

Transfer of investments from one scheme to another scheme in the Mutual Fund is permitted provided the same are in line with SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2020/202 dated October 8, 2020.

2. Aggregate investment in the Investment Strategy – Not applicable as no strategies are launched yet

Investor Complaints

Given below is the status of Investor Complaints of the existing schemes classified in accordance with AMFI "Guidelines on Standardization of Complaints/Grievances Reporting Procedure".

Complaints Redressal Statistics: As on March 31, 2026

Name of the Strategy	Complaints Received for the Period	Complaints Redressed for the period	Complaints Pending for the period
	April 2025 - March 2026	April 2025 - March 2026	April 2025 - March 2026
Apex Hybrid Long-Short Fund	1	1	0

The strategy was launched on March 30, 2026.

Information pertaining to Investments by the Strategies of SIF

1. Derivative strategies

Trading in Derivatives

SEBI has permitted Mutual Funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf. Accordingly, Mutual Funds may use various derivative products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

The scheme intends to use derivatives instruments like interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging, portfolio balancing as may be permitted under SEBI (MF) Regulations.

The scheme intends to use derivative instruments stock options, stock futures, index options, index futures or other equity derivative instruments as may be introduced from time to time.

RBI has permitted Mutual Funds to participate in Interest Rate Swaps and Forward Rate Agreements. SEBI has also permitted trading of interest rate derivatives through stock exchanges. The Scheme may also trade in these instruments.

The Mutual Fund would comply with the provisions of para 7.5, 7.6, 12.24, 12.25 and 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024, such other amendments issued by SEBI from time to time while trading in derivatives.

Presently, the position limits for trading in derivatives by Mutual Fund specified in para 7.5.1.6 & 7.6.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024 are as follows:

Position Limits

The position limits for Mutual Funds and its schemes shall be under:

- (i) Position limit for Mutual Funds in index options contracts
 - (a) The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs 500 Cr or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
 - (b) This limit would be applicable on open positions in all options contracts on a particular underlying index.
- (ii) Position limit for Mutual Funds in index futures contracts
 - (a) The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs 500 Cr or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
 - (b) This limit would be applicable on open positions in all futures contracts on a particular underlying index.
- (iii) Additional position limit for hedging
 - (a) In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:
 - (b) 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.
 - (c) 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 Funds for stock based derivative contracts
 - (a) The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).
 - (b) The MWPL and client level position limits however would remain the same as prescribed.

Position limit for each scheme of a Mutual Fund The scheme-wise position limit requirements shall be:

- (c) 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:
 - (i) 1% of the free float market capitalization (in terms of number of shares). Or
 - (ii) 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- (d) This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- (e) 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.

Exposure to Derivatives

Further, the exposure limits for trading in derivatives by Mutual Fund specified by SEBI vide para 12.24 and 12.25 of the SEBI Master Circular for Mutual Funds dated June 27, 2024 is as follows:

1. The cumulative gross exposure through equity & equity related instruments, debt and Money Market Instruments, derivatives, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time subject to regulatory approvals, if any should not exceed 100% of the net assets of the Scheme.
2. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
3. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following
 - Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1
 - 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 position against which hedge has been taken.
5. (a) Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.

(b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point (1) above.
7. Definition of Exposure in case of derivatives positions

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

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

Interest Rate Swaps (IRS)

An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while other receives a floating (variable) rate of interest.

Forward Rate Agreement (FRA)

An FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

Example of a derivatives transaction Basic Structure of a Swap

Bank A has a 6 month Rs. 10 Cr liability, currently being deployed in call. Bank B has a Rs. 10 Cr 6 month asset, being funded through call. Both banks are running an interest rate risk. To hedge this interest rate risk, they can enter into a 6 month MIBOR (Mumbai Inter Bank Offered Rate) swap. Through this swap, A will receive a fixed preagreed rate (say 7%) and pay "call" on the NSE MIBOR ("the benchmark rate"). His paying at "call" on the benchmark rate will neutralise the interest rate risk of lending

n call. B will pay 7% and receive interest at the benchmark rate. His receiving of "call" on the benchmark rate will neutralise his interest rate risk arising from his call borrowing. The mechanism is as follows:

- Assume the swap is for Rs. 10 Cr March 1st to September 1st. A is fixed rate receiver at 7% and B is a floating rate receiver at the overnight compounded rate.
- On March 1st, A and B will exchange only an agreement of having entered this swap. This documentation would be as per International Securities Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On September 1st they will calculate the following:

A is entitled to receive interest on Rs. 10 Cr at 7% for 184 days i.e. Rs. 35.28 lakh, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.

B is entitled to receive daily compounded call rate for 184 days & pay 7% fixed.

On September 1st, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 35.28 lakhs, A will pay B the difference. If the daily compounded benchmark rate is lower, then B will pay A the difference.

Effectively Bank A earns interest at the rate of 7% p.a. for six months without lending money for 6 months fixed, while Bank B pays interest @ 7% p.a. for 6 months on Rs. 10 Cr, without borrowing for 6 months fixed. As per abovesaid RBI circulars, mutual funds are permitted to do Interest Rate Swaps/Forward Rate Agreements, for hedging purposes only. Accordingly, the AMC would undertake the same for similar purposes only. IRS and FRAs do also have inherent credit and settlement risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

Derivatives can be traded over the exchange or can be structured between two counter-parties. Those transacted over the exchange are called Exchange Traded derivatives whereas the other category is referred to as OTC (Over the Counter) derivatives. Some of the differences of these two derivative categories are as under:

Some of the differences of these two derivative categories are as under:

Exchange traded derivatives: These are quoted on the exchanges like any other traded asset class. The most common amongst these are the Index Futures, Index Options, Stock Futures and Options on individual equities / securities. The basic form of the futures contract is similar to that of the forward contract, a futures contract obligates its owner to purchase a specified asset at a specified exercise price on the contract maturity date. Futures are cash-settled and are traded only in organised exchanges. Exchange traded derivatives are standardised in terms of amount and delivery date. Standardisation and transparency generally ensures a liquid market together with narrower spreads. On the other hand, for delivery dates far in the future, there may be insufficient liquidity in the futures market whereas an OTC price may be available.

OTC derivatives: OTC derivatives require the two parties engaging in a derivatives transaction to come together through a process of negotiation. It is a derivative that is customised in terms of structure, amount, tenor, underlying assets, collateral etc.

The Scheme may use derivatives instruments such as Stock Index Futures, Options on indices or such other derivative instruments as may be introduced / permitted, from time to time. To illustrate, an example of a Stock Index Future is given below:

Index Futures Benefits

- Investment in stock index futures can give exposure to the index without directly buying the individual stocks. Appreciation in index stocks can be effectively captured through investment in Stock Index Futures.
- The Fund can sell futures to hedge against market movements effectively without actually selling the stocks it holds.

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

Illustration

Spot Index: 1070

1-month Nifty Future Price on day 1: 1075 Fund buys 100 lots

Each lot has a nominal value equivalent to 200 Units of the underlying index

Situation 1

Let us say that on the date of settlement, the future price = closing spot price = 1085 Profits for the Fund
 $= (1085-1075) \times 100 \text{ lots} \times 200 = \text{Rs. } 200,000$

Situation 2

Let us say that on the date of settlement, the future price = Closing spot price = 1070 Loss for the Fund
 $= (1070-1075) \times 100 \text{ lots} \times 200 = (\text{Rs. } 100,000)$

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

Buying Options

Benefits of buying a call option

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

Illustration

If the Fund buys a 1-month call option on Hindustan Lever at a strike of Rs. 190, the current market price being say Rs. 191. The Fund will have to pay a premium of say Rs. 15 to buy this call. If the stock price goes below Rs. 190 during the tenure of the call, the Fund avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The Fund gives up the premium of Rs. 15 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 190, it can exercise its right and own Hindustan Lever at a cost price of Rs. 190, thereby participating in the upside of the stock.

Benefits of buying a put option

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

Illustration

If the Fund owns Hindustan Lever and also buys a three-month put option on Hindustan Lever at a strike of Rs. 190, the current market price being say Rs. 191. The Fund will have to pay a premium of say Rs. 12 to buy this put.

If the stock price goes below Rs. 190 during the tenure of the put, the Fund can still exercise the put and sell the stock at Rs. 190, avoiding therefore any downside on the stock below Rs. 190. The Fund gives up the fixed premium of Rs. 12 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 190, say to Rs. 220, it will not exercise its option.

The Fund will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of Rs. 220.

Writing of Covered Call Options

A call option gives the holder (buyer) the right but not the obligation to buy an asset by a certain date for a certain price. Covered calls are an options strategy where a person holds a long position in an asset and writes (sells) call options on that same asset.

Benefits of writing

an option with underlying stock holding (Covered Call Writing Strategy)

The covered call strategy can be followed by the Fund Manager in order to hedge risk thereby resulting in better risk adjusted returns of the Scheme. The strategy offers the following benefits: a) Hedge against market risk - Since the fund manager sells a call option on a stock already owned by the mutual fund scheme, the downside from fall in the stock price would be lower to the extent of the premium earned from the call option. b) Generating additional returns in the form of option premium in a range bound market. Thus, a covered call strategy involves gains for unit holders in case the strategy plays out in the right direction.

Illustration - Covered Call strategy using stock call options:

Suppose, a fund manager buys equity stock of XYZ Ltd. for Rs. 1000 and simultaneously sells a call option on the same stock at a strike price of Rs. 1100. The scheme earns a premium of say, Rs. 50. Here, the fund manager does not think that the stock price will exceed Rs. 1100.

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. 1100 (earning a return of 10% on the stock purchase price). Also, the scheme has earned a premium of Rs. 50.

Net Gain - Rs. 150

Scenario 2: Stock prices stays below Rs. 1100

The call option will not get exercised and will expire worthless. The premium earned on call option will generate alpha for the scheme. Net Gain - Rs. 50

Writing of call option (under the covered call strategy) can be undertaken subject to the following conditions:

1. The Scheme may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX.
2. The total notional value (taking into account strike price as well as premium value) of call options written by the Scheme shall not exceed 15% of the total market value of equity shares held in the Scheme.
3. 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.
4. The Scheme may sell securities on which a call option is written under a covered call strategy subject to compliance with points 2 & 3 above. In case of any passive breach of the requirement mentioned in point 2 above, the 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.
5. In case the scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with points 2 and 3 above while selling the securities.
6. In no case, the 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.
7. The premium received shall be within the requirements prescribed in terms of para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the Scheme.
8. The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024.
9. The call option written shall be marked to market daily and the respective gains or losses shall be factored into the daily NAV of the Scheme until the position is closed or expired.

The Scheme intends to participate in derivatives trading within the equity component of their portfolios. Some of the strategies involving derivatives that may be used by the Investment Manager, with an aim to protect capital and enhance returns include:

Strategy Number 1: Hedging against an anticipated rise in equity prices. The scheme has a corpus of Rs. 100 Cr and has invested Rs. 65 Cr in equity and still has a cash of Rs. 15 Cr available to invest in the equity component. The Fund may buy index futures of a value of Rs. 15 Cr. The scheme may reduce the exposure to the future contract by taking an offsetting position as investments are made in the equities the scheme wants to invest in. Here, if the market rises, the scheme gains by having invested in the index futures.

Event	Gain/(Loss) from Der position	Gain/(Loss) from Cash position	Overall Gain/(Loss) to Component of Scheme
5% rise in equity price	$15 * 5\% = \text{Rs.}0.75 \text{ Cr}$	$65 * 5\% = \text{Rs.}3.25 \text{ Cr}$	Rs. 4 Cr
5% fall in equity price	$15 * 5\% = \text{Rs.} (0.75) \text{ Cr}$	$65 * 5\% = \text{Rs.} (3.25) \text{ Cr}$	Rs. (4) Cr

Strategy Number 2 Hedging against anticipated fall in equity prices. If the Fund has a negative view on the market and would not like to sell stocks, as the market might be weak, the scheme of the Fund can go short on index/stock futures. Later, the scheme can sell the stocks and unwind the future positions. A short position in the future would offset the long position in the underlying stocks and this can curtail potential loss in the portfolio.

For instance: The strategy has a corpus of Rs.100 Cr and is 65% invested in equities. If the fund manager wishes to reduce the equity exposure to Rs. 30 Cr, he would sell index/stock future contracts of Rs. 35

Event	Gain/(Loss) from Der position	Gain/(Loss) from Cash position	Overall Gain/(Loss) to S
5% fall in equity price	$35 * 5\% = \text{Rs. } 1.75 \text{ Cr.}$	$65 * 5\% = \text{Rs. } (3.25) \text{ Cr}$	Rs. (1.5) Cr
5% rise in equity price	$35 * 5\% = \text{Rs. } (1.75) \text{ Cr.}$	$65 * 5\% = \text{Rs. } 3.25 \text{ Cr}$	Rs. 1.5 Cr

Strategy Number 3: Using Index Futures to increase percentage investment in equities. This strategy will be used for the purpose of generating returns on idle cash, pending its investment in equities. The Scheme being open ended in nature upon conversion and maybe subject to daily inflows. There may be a time lag between the inflow of funds and their deployment in equities. If so desired, the AMC would be able to take immediate exposure to equities via index futures. The position in index futures may be reversed in a phased manner, as the funds are deployed in the equity markets.

The scheme has a corpus of Rs. 75 Cr and there is an inflow of Rs. 5 Cr in a day. The AMC may buy index futures contracts of a value of Rs. 5 Cr. Later as the money is deployed in the underlying equities, the value of the index futures contracts can be suitably reduced.

Equity Allocation	Event	Equity Portfolio Gain (Rs. in Cr)	Derivative Gain / (Loss) (Rs. in Cr)	Total Portfolio (Loss) (Rs. in Cr)
Rs. 50 Cr Equity exposure	10% rise in prices	5	Nil	5
Rs. 50 Cr Equity exposure 5 Cr long position in futures	10% rise in prices	5	0.5	5.5
Rs. 50 Cr Equity exposure	10% fall in prices	(5)	Nil	(5)
Rs. 50 Cr Equity exposure 5 Cr long position index	10% fall in prices	(5)	(0.5)	(5.5)

RISKS (For Strategies 1, 2 and 3)

- The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The long position will have as much loss as a gain in the underlying index. e.g. if the index appreciates by 10%, the future value rises by 10%. However, this
- is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain / loss due to the movement of the underlying index. This is called the basis risk.
- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract

Strategy Number 4: Using Index Futures to decrease percentage investment in equities.

Similarly, in the case of a pending outflow of funds the AMC, in order to reduce exposure in equities may enter into futures contracts to sell the Index at a future date. This position can be unwound over a period in time by simultaneously selling the equity shares from the investment portfolio of the Scheme. Since the price of the futures contracts is expected to be positively correlated with the index, the value of a short position will over in the direction opposite to the movement in the index. The strategy of taking a short position in the index future would reduce the market exposure, in line with the reduced net assets, in case of a significant redemption.

Example:

Assume a scheme has an equity exposure of Rs. 50 Cr. If the Fund Manager wishes to reduce the equity exposure to Rs. 40 Cr in a short time, he would sell index futures contracts of a value of Rs. 10 Cr.

Portfolio	Event	Equity Portfolio Gain / (Loss) (Rs.)	Derivative Gain / (Loss) (Rs. in Cr)	Total Portfolio Gain / (Loss) (Rs.)
Rs. 50 Cr Equity exposure	10% fall in prices	(5)	Nil	(5)
Rs. 50 Cr Equity exposure 10 Cr short position futures	10% fall in prices	(5)	1	(4)
Rs. 50 Cr Equity exposure	10% rise in prices	5	Nil	5
Rs. 50 Cr Equity exposure 10 Cr short position futures	10% rise in prices	5	(1)	4

RISKS

- The strategy of taking a short position in index futures reduces the market exposure. The short position is negatively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not be a perfect hedge.
- The short position will have as much loss as a gain in the underlying index. e.g. if the index appreciates by 10%, the future value falls by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain / loss due to the movement of the underlying index. This is called the basis risk.
- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract.

Strategy Number 5: Portfolio Protection Using Index Put

The purchase of an index put option gives the scheme the option of selling the index to the writer of the put at a predetermined level of the index, called the strike price. If the index falls below this level, the scheme benefits from the rise in the value of the put option.

Similarly, as a stock hedging strategy, the purchase of a put option on the underlying stock would give the scheme the option to sell the stock to the writer of the option at the predetermined strike price. This would lead to a capping of the loss in value of a stock.

Example:

Let us assume a scheme with a corpus of Rs. 75 Cr. Let us also assume an index level of 1000. The scheme is invested 50 Cr in equities. The scheme purchases a put option on the index with a strike price of Rs.950 for an assumed cost of Rs. 50 lakhs.

The following table illustrates the portfolio returns:

% change in	Index	Equity Portfolio Value Rs. in Cr (A)	Option Value Rs (B)	Cost of the Option Rs. in (C)	Portfolio Value in Cr (A+B+C)	% Returns portfolio
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10	1100	55.00	0	(0.5)	54.50	9
5	1050	52.50	0	(0.5)	52.00	4

(5)	950	47.50	0	(0.5)	47.00	(6)
(10)	900	45.00	2.5	(0.5)	47.00	(6)
(15)	850	42.50	5	(0.5)	47.00	(6)

A similar put option can be purchased on any individual stock and the downside may be capped.

RISKS

- The table shows that the portfolio value will not fall below Rs. 47 Cr, while the scheme benefits from any increase in stock prices. The table assumes perfect correlation between the equity portfolio and the index. However, this may not be the case. Therefore, the minimum portfolio value cannot be assured, but the loss is expected to be lower in a portfolio with a put option on the index, as compared to a normal portfolio.
- The put option would lead to a gain based on the difference between the strike price and the index level at expiration date, if positive. However, in case the option is reversed before the expiration date, the market price received on the sale of the option may be different from the price calculated.
- While options markets can be more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the scheme to purchase or close out a specific options contract.

In the case of purchase of a stock put, the strategy is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option, which can potentially take the stock value below the minimum under the hedge.

Strategy Number 6: Using Alpha Strategy

The fund will seek to generate alpha by superior stock selection and removing market risks by selling appropriate index. For example, one can seek to generate positive alpha by buying an IT stock and selling Nifty IT Index future or a bank stock and selling Bank Index futures or buying a stock and selling the Nifty Index. The objective of the strategy is to generate alpha by superior stock selection and removing market risks by hedging with appropriate index.

For instance: The scheme has a corpus of Rs.100 Cr and is 65% invested in equities. Of the equity component, the fund manager has 5% exposure to. The scheme takes an offsetting position by making investments Nifty IT index future. Here, the different market scenarios are illustrated in the table below:-

Event	Gain/(Loss) from Der position	Gain/(Loss) from Cash position	Absolute C
10% fall in stock price & 5% fall price	$3.25 * 5\% = \text{Rs. } (0.1625) \text{ Cr.}$	$3.25 * 10\% = \text{Rs. } (0.325) \text{ Cr.}$	(0.1625)
10% fall in index price & 5% fall price	$3.25 * 10\% = \text{Rs. } (0.325) \text{ Cr.}$	$3.25 * 5\% = \text{Rs. } (0.1625) \text{ Cr.}$	0.1625
10% rise in stock price & 5% rise in index price	$3.25 * 5\% = \text{Rs. } 0.1625 \text{ Cr.}$	$3.25 * 10\% = \text{Rs. } 0.325 \text{ Cr.}$	0.4875
10% rise in index price & 5% rise price	$3.25 * 10\% = \text{Rs. } 0.325 \text{ Cr.}$	$3.25 * 5\% = \text{Rs. } 0.1625 \text{ Cr.}$	0.4875
10% rise in index price & 10% stock price	$3.25 * 10\% = \text{Rs. } 0.325 \text{ Cr.}$	$3.25 * 10\% = \text{Rs. } 0.325 \text{ Cr.}$	0.65

Risk Associated with this Strategy

- The stock selection under this strategy may under-perform the market and generate a negative alpha.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Execution Risk: The prices which are seen on the screen need not be the same at which execution will

take place.

2. *Swing Pricing*

Swing Pricing: Swing pricing refers to a process for adjusting a fund's net asset value (NAV) to effectively pass on transaction costs stemming from net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity during the life of a fund.

During market dislocation, following Swing Pricing Framework shall be applicable:

1. The Swing Pricing Framework shall apply in case of scenarios related to net outflows from the schemes.
2. SEBI will determine 'market dislocation' either based on AMFI's recommendation or suo moto.
3. Once market dislocation is declared, SEBI will notify that swing pricing will be applicable for a specified period.
4. Mandatory swing pricing will apply for Applicable Schemes which have:

- i) High or Very High risk on the risk-o-meter (as of the most recent period at the time of declaration of market dislocation); and
- ii) Classify themselves in the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix.

5. Swing Factor: Minimum Swing factor as per below matrix shall be made applicable to the above mentioned schemes and the NAV will be adjusted for the swing factor.

Swing factor			
Max Credit Risk of scheme→	Class A (CRV	Class B (CRV	Class C (CRV
Max Interest Rate Risk (CRV* <10) the ↓			
Class I: (Macaulay duration <=1 year)	-	-	C-I: 1.5%
Class II: (Macaulay duration <=3	-	B-II: 1.25%	C-II: 1.75%
Class III: Any Macaulay duration	A-III: 1%	B-III: 1.5%	C-III: 2%
* CRV - Credit Risk Value			

6. Illustration for Swing Pricing:

Potential Risk Class (PRC)	A-III	B-II	B-III	C-I	C-II	C-III
Minimum Swing Factor as prescribed by	1%	1.25 %	1.50 %	1.50 %	1.75 %	2%
Unswung NAV	20.0 0	20.0 0	20.0 0	20.0 0	20.0 0	20.00
Less- Swing value at minimum rate prescribed by SEBI	0.20	0.25	0.30	0.30	0.35	0.40
NAV after applying Swing Factor	19.80	19.7 5	19.7 0	19.7 0	19.6 5	19.60

7. Impact on investors:

- a. When swing pricing framework is triggered and swing factor is made applicable (for normal time or market dislocation, as the case may be), both the incoming and outgoing investors shall get NAV adjusted for swing factor.
- b. All redemptions above Rs. 2 lakhs and all subscriptions would be processed at the NAV after applying the swing factor on the day Swing pricing is triggered. Redemptions below 2 lakhs would be

processed at the unswung NAV i.e. Normal NAV.

8. Periodic Disclosures:

Disclosures pertaining to NAV adjusted for swing factor along with performance impact will be disclosed in the prescribed format in the SID, scheme wise Annual Reports and Abridged summary thereof and on the website when swing pricing framework becomes applicable to the schemes

Triggering Swing Pricing on re-opening of a scheme after announcement of winding – up:

a) There may be instances where AMC, after making an announcement to wind up a scheme, decides to roll-back the decision to wind up the scheme. Such situations may trigger larger scale redemptions and hence, it would be prudent to invoke the Swing Pricing Mechanism to manage such a situation. In other words, if AMC decides to reverse its decision to wind up the scheme, it shall mandatorily invoke the Swing pricing upon re-opening a scheme for subscriptions and redemptions post such announcement.

b) The indicative range of swing pricing for the parameter of “Re-opening of the scheme after announcement of Winding-up” shall be the same as applicable for swing pricing during normal times as stated in AMFI Best Practice Guidelines and shall be for higher of swing period as may be decided by the Board of AMC or for a minimum of 7 working days upon re-opening a scheme for subscriptions and redemptions.

3. Provisions on creation of Segregated portfolio/Side pocketing

Segregated portfolio will 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 of the said instruments from ‘below investment grade, or
- Similar such downgrades of a loan rating.

In case of difference in rating by multiple CRAs, the most conservative rating will be considered. Creation of segregated portfolio will be based on issuer level credit events and as mentioned above implemented at the ISIN level.

Further, Segregated portfolio may also be created in case of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments. However, such segregation may be done only in case of actual default of either the interest or principal amount by the issuer of such instruments. The Fund shall inform AMFI immediately about the actual default by the issuer. AMFI will disseminate the information about the actual default by the issuer to all AMCs post which the Fund may segregate the portfolio of debt or money market instruments of the said issuer.

Process of creation of segregated portfolio:

ABSLAMC will decide on creation of segregated portfolio on the day of credit event and will seek approval of ABSLTPL. Post that ABSLAMC will immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. ABSLAMC will also disclose in the press release that the segregation shall be subject to trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC. ABSLAMC will 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.

The segregated portfolio shall be effective from the day of credit event, post approval of Trustee.

ABSLAMC will issue a press release immediately post approval of ABSLTPL with all relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.

An e-mail or SMS will be sent to all unit holders of the concerned Scheme. The NAV of both segregated and main portfolio will be disclosed from the day of the credit event. All existing unit holders 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.

No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, ABSLAMC will enable listing of units of segregated portfolio on recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer request.

If the trustees do not approve the proposal to segregate portfolio, AMC shall issue a press release immediately informing investors of the same.

Valuation and processing of subscriptions and redemptions

The valuation will take into account the credit event and the portfolio will be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.

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. However, in case of segregated portfolio, applicability of NAV will be as under:

1. 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
2. Investors subscribing to the Scheme will be allotted units only in the main portfolio based on its NAV.

In case ABSLTPL does not approve the above valuation process, all subscription and redemption applications will be processed based on the NAV of total portfolio.

Disclosure requirements

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 will be communicated to the investors within 5 working days of creation of the segregated portfolio. Further, adequate disclosure of the segregated portfolio will also appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the Scheme.

Further, the NAV of the segregated portfolio will be declared on daily basis.

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. The scheme performance required to be disclosed at various places will include the impact of creation of segregated portfolio. The scheme performance will 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, will be disclosed as a footnote to the scheme performance. These disclosures regarding the segregated portfolio will be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.

The investors of the segregated portfolio will be duly informed of the recovery proceedings of the investments of the segregated portfolio and status update will be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Total Expense Ratio (“TER”) for the Segregated Portfolio

ABSLAMC will 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. 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. The legal charges related

t recovery of the investments of the segregated portfolio will be charged to the segregated portfolio in proportion to the amount of recovery. However, the same will be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, will be borne by ABSLAMC. The costs related to segregated portfolio will in no case be charged to the main portfolio.

Monitoring by Trustees

In order to ensure timely recovery of investments of the segregated portfolio, Trustees will ensure that, the ABSLAMC puts in sincere efforts to recover the investments of the segregated portfolio. Upon recovery of money, whether partial or full, it will 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. Further, an Action Taken Report (ATR) on the efforts made by the ABSLAMC to recover the investments of the segregated portfolio will be placed in every Trustee meeting till the investments are fully recovered/ written-off.

The Trustees will 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.

In order to avoid mis-use of segregated portfolio, trustees will ensure that there is 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.

- Creation of segregated portfolio will be optional and at the discretion of ABSLAMC.

Illustration of portfolio segregation

The below illustration explains the impact of portfolio segregation on account of the credit event on the Scheme and its investors.

Total Portfolio	Regular Plan	Direct Plan
Net Assets (A)	200.00	110.00
Units (B)	20.000	10.000
NAV per unit (A)/(B)	10.0000	11.0000

Assuming, the above portfolio has a security with market value of Rs. 20 which has got impacted by a credit event. Based on Trustees approval for segregation of portfolio, total portfolio would be split into main portfolio and segregated portfolio as given below:

Main Portfolio	Regular Plan	Direct Plan
Net Assets before Segregation (A)	200.00	110.00
Value of impacted security (B)	12.90	7.10
Net Assets after segregation (C) = (A) – (B)	187.10	102.90
Units (D)	20.000	10.000
NAV per unit (C)/(D)	9.3548	10.2903

Segregated Portfolio	Regular Plan	Direct Plan
Value of impacted security se from Total portfolio	12.90	7.10
Haircut @ 25%	3.23	1.77
Net Assets after Haircut (A)	9.68	5.32
Units (B)	20.000	10.000
NAV per unit (A)/(B)	0.4839	0.5323

Investor Holding	Regular Plan	Direct Plan
Net Assets in Total Portfolio	200.00	110.00

Net Assets in Main Portfolio	187.10	102.90
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Net Assets in Segregated Portfolio	9.68	5.32
Haircut*		

*Market value of investor holding will come down to the extent of haircut on the impacted security.

Impact on investors:

1. Existing Investors: All existing investors in the scheme as on the day of the credit event will be allotted equal number of units in the segregated portfolio as held in the main portfolio.
2. New Investors: Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.

Exiting Investors: 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.

Additional disclosures w.r.t. Investments in Securitised Debt:

1. How the risk profile of securitized debt fits into the risk appetite of the scheme

Securitized Debt is a financial instrument (bond) whose interest and principal payments are backed by an underlying cash flow from another asset. The asset may be either a loan to a single counterparty or a pool of loans. In this scheme the Fund manager ensures that as securitised debt instruments are relatively illiquid, the fund manager buys these with a view to hold them till maturity. Thus, in line with the investment strategy of the Scheme and considering that there would be no intermediate redemption pressures for the Fund Manager, the Scheme may take limited exposure to rated Securitized Debt. Credit assessment of the underlying asset or loans is done to evaluate if it meets internal norms set by the AMC.

Investment in these instruments will help the Scheme in aiming at reasonable returns. These returns come with a certain degree of risks which are covered separately in the Investment Strategy Information Document.

Accordingly, the risk profile of the securitised debt instruments matches that of the prospective investors of this Scheme and hence can be considered in the fund universe.

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

A securitization transaction involves sale of receivables by the originator (a bank, non-banking finance company, housing finance company, or a manufacturing/service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by selling his loan receivables to an SPV, receives consideration from investors much before the maturity of the underlying loans. Investors are paid from the collections of the underlying loans from borrowers. Typically, the transaction is provided with a limited amount of credit enhancement (as stipulated by the rating agency for a target rating), which provides protection to investors against defaults by the underlying borrowers.

The scheme will invest in instruments of the originator only if the originator has an investment grade rating. Over and above the credit rating assigned by credit rating agencies to the originator, ABSLMF will conduct an additional evaluation on

- Previous track record on origination, servicing and performance of existing pools

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

In addition a detailed review and assessment of rating rationale is done including interactions with the company as well as agency. For single loan PTC, credit evaluation of the underlying corporate will be carried out as with any other debt instruments.

3. Risk mitigation strategies for investments with each kind of originator

In terms of specific risks attached to securitization, each asset class would have different underlying risks, however, residential mortgages are supposed to be having lower default rates as an asset class. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates.

As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher, which helps in making their overall risks comparable to other AAA rated asset classes.

The Scheme may invest in securitized debt assets. The asset may be either a loan to a single counterparty or a pool of loans. The Scheme intends to invest in securitized instruments rated by a SEBI recognized credit rating agency. In addition, some specific risk mitigation measures will include:

Limited Recourse and Credit Risk: Certificates issued on investment in securitized debt represent a beneficial interest in the underlying receivables and there is no obligation on the issuer, seller or the originator in that regard. Defaults on the underlying loan can adversely affect the pay outs to the investors (i.e. the Scheme) and thereby, adversely affect the NAV of the Scheme.

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

Bankruptcy Risk: If the originator of securitized debt instruments in which the Scheme invests is subject to bankruptcy proceedings and the court in such proceedings concludes that the sale of the assets from originator to the trust was not a 'true sale', and then the Scheme could experience losses or delays in the payments due.

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

Limited Liquidity and Price risk

Presently, secondary market for securitized papers 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.

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

Risks due to possible prepayments: Weighted Tenor / Yield

Asset securitization 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.

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

Bankruptcy of the Investor's Agent

If Investor's agent becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the swap agreement.

Risk Mitigation: All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent.

4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

Framework that will be applied while evaluating investment decision relating to a pool securitization transaction:

Characteristics/Type of Pool	Mortgage Loan Properties	Commercial & Con Equipment	Car	Two Whe	Micro Pools	Personal	Single Downs	Others
Approx. Avg Maturity	60-180 Months	12-48 Months	12-48 Months	12-36 Months	12 Months	12-36 Months	NA	NA
Collateral Margin (incl Guarantees, Excess Spread, Subordinate Tran)	5-20%	5-20%	5-20%	5-20%	5-30%	5-30%	NA	NA
Avg Loan to Value Ratio	< 90%	< 90%	< 90%	< 90%	NA	NA	NA	NA
Avg Seasoning of the Pool	6-12 Months	3-6 Months	3-6 Months	3-6 Months	3-12 Weeks	1-3 Months	0-3 Months	NA
Max. Single Exposure Ran	3-5%	3-5%	Retail	Retail	Retail	Retail	NA	NA
Avg Single Exposure Ran	1-25%	1.5-2.5%	Retail	Retail	Retail	Retail	NA	NA

Information illustrated in the Table above, is based on the current scenario relating to Securitized Debt market and is subject to change depending upon the change in the related factors.

We endeavor to consider some of the important risk mitigating factors for securitized pool i.e.

- Average maturity of the pool: based on different asset classes and current market practices
- Collateral margin including cash collateral and other credit enhancements
- Loan to Value Ratio
- Average seasoning of the pool,
- Default rate distribution
- Geographical Distribution
- Maximum single exposure: Retail pools (passenger cars, 2-wheelers, Micro finance, personal loans, etc) are generally well diversified with maximum and average single exposure limits within 1%.

As illustrated above, these factors vary for different asset classes and would be based on interactions with each originator as well as the credit rating agency.

5. *Minimum retention period of the debt by originator prior to securitization*

The Mutual Fund will follow the guidelines on minimum holding period requirements as laid down by SEBI and RBI from time to time.

6. *Minimum retention percentage by originator of debts to be securitized*

We will follow the guidelines on minimum holding period requirements as laid down by SEBI and RBI from time to time.

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

Investments made by the scheme in any asset are done based on the requirements of the scheme and is in accordance with the investment policy. All Investments are made entirely at an arm's length basis with no consideration of any existing / consequent investments by any party related to the transaction (originator, issuer, borrower etc.). Investments made in Securitized debt are made as per the Investment pattern of the Scheme and are done after detailed analysis of the underlying asset. There might be instances of Originator /obligor investing in the same scheme but both the transactions are at arm's length and avoid any conflict of interest. In addition to internal controls in the fixed income investment process, there is regular monitoring by the compliance team, risk management group, and internal review teams. Normally the issuer who is securitizing instrument is in need of money and is unlikely to have long term surplus to invest in mutual fund scheme.

8. *In general, the resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt*

The risk assessment process for securitized debt, as detailed in the preceding paragraphs, is same as any other credit. The investments in securitized debt are done after appropriate research by credit analyst. The ratings are monitored for any movement. The entire securitized portfolio is published in the fact sheet and disclosed in the web site for public consumption with details of underlying exposure and originator.

Other Disclosures:

Change in Asset Allocation

Rebalancing due to Short Term Defensive Consideration

Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations as per para 1.14.1.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024, and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation.

Rebalancing due to Passive Breach:

Further, as per para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024, as may be amended from time to time, in the event of deviation from mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager shall rebalance the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to sixty

(60) Business Days from the date of completion of mandated rebalancing period. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024.

Borrowing by the Mutual Fund

Under the SEBI Regulations, the Mutual Fund is allowed to borrow to meet the temporary liquidity requirements of its Scheme for the purpose of Redemption of Units or the payment of interest or IDCW to the Unit holders. Further, as per the SEBI Regulations, the Mutual Fund shall not borrow more than 20% of the Net Assets of the scheme and the duration of such borrowing shall not exceed a period of six months. The Mutual Fund may raise such borrowings after approval by the Trustee from Sponsor or any of its associate / Group Companies or Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee.

Soft Dollar Arrangements

In terms of Clause F of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, soft dollar arrangements between the Asset Management companies and brokers should be limited to only benefits (like free research report, etc.) that are in the interest of investors and the same should be suitably disclosed. In this context, ABSLAMC / ABSLMF do not have any Soft-dollar arrangement with brokers. However, brokers do provide information-based services like free research reports etc. in the interest of taking better informed decisions for the benefit of investors. Also dedicated hotlines are set up by few brokers which are used for execution of trades. The hot lines aid execution of trades. Further, the AMC / the Fund are under no obligation to use the services of any broker in lieu of these services.

UNDERWRITING BY THE FUND

Subject to the Regulations, the Scheme may enter into underwriting agreements after the Fund obtains a certificate of registration in terms of the Securities and Exchange Board of India (Underwriters) Rules and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, authorizing it to carry on activities as underwriters.

The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme and the underwriting obligation of the Scheme shall not at any time exceed the total net asset value of the Scheme.

- (a) **Option to hold Units in dematerialized (demat) form:** Investors have an option to subscribe to/hold units of Scheme(s)/Plan(s) in electronic (demat) form.

Consequently, the Unitholders under the Scheme(s)/Plan(s) shall have an option to subscribe to/ hold the units in electronic (demat) form in accordance with the provisions laid under the respective Scheme(s)/Plan(s) and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. Units under Plan(s)/Option(s) of all Schemes of Aditya Birla Sun Life Mutual Fund with IDCW distribution of daily, weekly or fortnightly frequency, as defined under respective Investment Strategy Information Document, shall be available in physical (non-demat) mode only. Under this option, units will be allotted based on the applicable NAV as per provisions of respective Investment Strategy Information Document(s) and will be credited to demat account of the investors on weekly basis (upon realisation of funds). Also, various Special Products/Facilities such as Systematic Withdrawal Plan, Systematic Transfer Plan, Switching, Turbo Systematic Transfer Plan, SIP for LIFE , etc. offered by ABSLAMC/Mutual Fund shall be available for Unitholders in case the units are held/opted to be held in physical (non-demat) mode.

The allotment of units in demat form shall be subject in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time.

Investors intending to hold units in electronic (demat) form will be required to have beneficiary account with a Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate, in the application form, the DP's name, DP ID Number and the Beneficiary account number of the applicant held with the DP at the time of subscribing to the units. Applicants must ensure that the sequence of the names as mentioned in the application form matches with that

of the beneficiary account held with the DP. Names, PAN details, KYC details etc. mentioned in

the Application Form will be verified against the Depository records. **If the details mentioned in the application form are found to be incomplete / incorrect or not matching with the depository records, the application shall be treated as application for physical (non-demat) mode and accordingly units will be allotted in physical (non-demat) mode, subject to it being complete in all other aspects.** Unitholders who have opted to hold and thereby allotted units in electronic (demat) form will receive payment of redemption / IDCW proceeds into bank account linked to their Demat account.

Units held in electronic (demat) form will be transferable subject to the provisions laid under the respective Scheme(s)/Plan(s) and in accordance with provisions of SEBI (Depositories and Participants) Regulations, 2018 and the SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time. Transfer of units will be subject to payment of applicable stamp duty by the Unitholder(s).

In case, the Unitholder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in physical (non-demat) mode into electronic (demat) form or vice-versa should be submitted along with a Demat/Remat Request Form to their Depository Participant(s). Investors should ensure that the combination of names in the account statement is the same as that in the demat account.

E. Transaction Charges and Stamp Duty

Nil

VI. DISCLOSURES AND REPORTS BY THE FUND

1. Account Statement/Consolidated Account Statement

APPLICABLE TO INVESTORS WHO OPT TO HOLD UNITS IN PHYSICAL (NON-DEMAT) MODE AND DO NOT HAVE DEMAT ACCOUNT:

For normal transactions during ongoing sales and repurchase:

- On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted to the investor shall be sent by way of email and/or SMS's to the investors' registered email address and/or mobile number not later than 5 (five) business days from the date of receipt of the application.
- Thereafter, a Consolidated Account Statement (CAS) for each calendar month to the Unitholder(s) in whose folio(s) transaction(s) has/have taken place during the month, on or before fifteenth of the succeeding month shall be sent by e-mail/mail. CAS shall contain details relating to all the transactions** carried out by the investor, including details of transaction charges paid to the distributor, if any, across all schemes of all mutual funds, during the month and holding at the end of the month.

***The word 'transaction' shall include purchase, redemption, switch, payout of IDCW, reinvestment of IDCW, Systematic Investment Plan, Systematic Withdrawal Plan, Systematic Transfer Plan and bonus transactions.*

- In case of specific request is received from investors, account statement shall be issued to the investors within 5 (five) business days from the receipt of such request without any charges. The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&T.
- In the event the account has more than one registered holder, the first named Unitholder shall receive the CAS/account statement.
- The transactions viz. purchase, redemption, switch, payout of IDCW, etc., carried out by the Unitholders shall be reflected in the CAS on the basis of Permanent Account Number (PAN).
- The CAS shall not be received by the Unitholders for the folio(s) not updated with PAN details. The

Unitholders are therefore requested to ensure that the folio(s) are updated with their PAN.

- **No Account statements will be issued to investors opted to hold units in electronic (demat) mode, since the statement of account furnished by depository participant periodically will contain the details of transactions**

APPLICABLE TO INVESTORS WHO OPT TO HOLD UNITS IN ELECTRONIC (DEMAT) MODE:

- On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted to the investor shall be sent by way of email and/or SMS's to the investors' registered email address and/or mobile number not later than 5 (five) business days from the date of receipt of the application.
- The asset management company shall issue units in dematerialized form to a unit holder in a scheme within 2 (two) working days of the receipt of request from the unit holder
- Thereafter, Single Consolidated Account Statement (SCAS), based on PAN of the holders, shall be sent by Depositories, for each calendar month on or before fifteenth day of the succeeding month to the unitholders in whose folio(s)/demat account(s) transactions have taken place during that month.
- SCAS shall be sent by Depositories every half yearly (September/ March), on or before twenty first day of succeeding month, detailing holding at the end of the sixth month, to all such unitholders in whose folios and demat accounts there have been no transactions during that period.
- In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send account statement in terms of regulations applicable to the depositories.
- Consolidation shall be done on the basis of Permanent Account Number (PAN). In the event the folio / demat account has more than one registered holder, the first named Unit holder / Account holder shall receive the SCAS. For the purpose of SCAS, common investors across mutual funds / depositories shall be identified on the basis of PAN. Consolidation shall be based on the common sequence/ order of investors in various folios/ demat accounts across mutual funds / demat accounts across depository participants.
- In case of multiple accounts across two depositories, the depository with whom the demat account has been opened earlier will be the default depository which will consolidate the details across depositories and Mutual Fund investments and dispatch the SCAS to the unitholders.
- Unitholders whose folio(s)/demat account(s) are not updated with PAN shall not receive SCAS. Unitholders are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN.
- For Unitholders who have provided an e-mail address in KYC records, the SCAS will be sent by e-mail.
- The Unitholders may request for account statement for mutual fund units held in physical mode. In case of a specific request received from the Unitholders, account statement shall be provided to the unitholders within 5 business days from the receipt of such request.
- No account statements will be issued to unitholders opted to hold units in demat mode, since the statement of account furnished by depository participant periodically will contain the details of transactions.
- SCAS sent within the time frame mentioned above is provisional and is subject to realisation of payment instrument and/or verification of documents, including the application form

Half Yearly Consolidated Account Statement:

- A 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 twenty first day of succeeding month, to all such Unitholders in whose folios no transaction has taken place during that period. Such Consolidated Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the consolidated account statement.
- The half yearly consolidated account statement will be sent by e-mail to the Unitholders whose e-mail address is available, unless a specific request is made to receive in physical.

COMMUNICATION BY EMAIL

For those unitholders who have provided an e-mail address, the AMC will send the communication by email. Unitholders who receive e-mail statements may download the documents after receiving e-mail from the Mutual Fund. Should the Unitholder experience any difficulty in accessing the electronically delivered documents, the Unitholder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unitholder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties. For ease of communication, first applicant's own email ID and mobile number should be provided.

2. *Half Yearly Disclosures/Portfolio Disclosures/Financial Results*

In terms of SEBI Regulations, Mutual Funds/ AMCs will disclose portfolio (along with ISIN) as on the last day of the month / half-year for all Schemes on its website www.https://apexsif.adityabirlacapital.com/ and on the website of AMFI (www.amfiindia.com) within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format. The Mutual Fund/AMCs will send to Unitholders a complete statement of the scheme portfolio, within ten days from the close of each month / half-year whose email addresses are registered with the Mutual Fund. Further, the Mutual Fund / AMC shall publish an advertisement disclosing the hosting of such half yearly scheme portfolio on its website www.https://apexsif.adityabirlacapital.com/ and on the website of AMFI (www.amfiindia.com). Mutual Funds/ AMCs will also provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder

3. *Half Yearly Results*

Mutual Fund / AMC shall within one month from the close of each half year, (i.e. 31st March and on 30th September), host a soft copy of its unaudited financial results on its website (www.https://apexsif.adityabirlacapital.com/). Further, the Mutual Fund / AMC shall publish an advertisement disclosing the hosting of such unaudited half yearly financial results on their website.

4. *Annual Report*

The scheme wise annual report or an abridged summary thereof shall be provided to all Unitholders not later than four months from the date of closure of the relevant accounting year whose email addresses are registered with the Mutual Fund. The physical copies of Scheme wise Annual report will also be made available to the unitholders, at the registered offices at all times. The scheme wise annual report will also be hosted on the website on its website (www.https://apexsif.adityabirlacapital.com/) and on the website of AMFI (www.amfiindia.com).

The physical copy of the abridged summary shall be provided to the investors without charging any cost, if a specific request through any mode is received from the unitholder.

Further, the Mutual Fund / AMC shall publish an advertisement disclosing the hosting of scheme wise annual report on its website www.https://apexsif.adityabirlacapital.com/ and on the website of AMFI (www.amfiindia.com).

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

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For and on behalf of the Board of Directors of Aditya Birla Sun Life AMC Limited

Sd/-

Parth Makwana
Compliance Officer

PLACE: MUMBAI
DATE: APRIL 30, 2026