

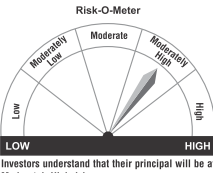
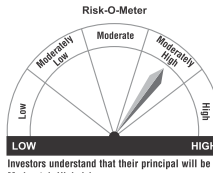
NOTICE CUM ADDENDUM

CHANGES IN THE FUNDAMENTAL ATTRIBUTES OF TATA MULTICAP FUND

EFFECTIVE DATE: 28/01/2021

Notice is hereby given that the, Trustees of Tata Mutual Fund, have approved the conversion of Tata Multi Cap Fund into Flexi Cap Fund and other changes to Scheme Information Document (SID) & Key Information Document (KIM) of Tata Multicap Fund from the effective date.

The fundamental changes will be as follows:

Particulars	Old Provisions	New Provisions																																
Name of the Scheme	Tata Multicap Fund	Tata Flexi Cap Fund																																
Type of Scheme	An open ended equity scheme investing across large cap, mid cap, small cap stocks	An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.																																
Section C: Asset Allocation and risk profile	Under normal circumstances, the asset allocation of the Scheme will be as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocations (% to total assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments</td> <td style="text-align: center;">65</td> <td style="text-align: center;">100</td> <td style="text-align: center;">High</td> </tr> <tr> <td>Debt (including money market instruments & units of debt and liquid category schemes)</td> <td style="text-align: center;">0</td> <td style="text-align: center;">35</td> <td style="text-align: center;">Low to Medium</td> </tr> </tbody> </table> Not more than 25% of the net assets of the Scheme can be deployed in stock lending and not more than 5% of the fund can be deployed in stock lending to any single counterparty.	Instruments	Indicative allocations (% to total assets)		Risk Profile	Minimum	Maximum	Equity and Equity related instruments	65	100	High	Debt (including money market instruments & units of debt and liquid category schemes)	0	35	Low to Medium	Under normal circumstances, the asset allocation of the Scheme will be as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocations (% to total assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments</td> <td style="text-align: center;">65</td> <td style="text-align: center;">100</td> <td style="text-align: center;">High</td> </tr> <tr> <td>Debt (including money market instruments & units of debt and liquid category schemes*)</td> <td style="text-align: center;">0</td> <td style="text-align: center;">35</td> <td style="text-align: center;">Low to Medium</td> </tr> <tr> <td>Units of REITs & InvITs</td> <td style="text-align: center;">0</td> <td style="text-align: center;">10</td> <td style="text-align: center;">Medium to High</td> </tr> </tbody> </table> The scheme will not invest in debt instruments having structured obligations/credit enhancements. Not more than 20% of the net assets of the Scheme can be deployed in stock lending. *The scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund. All other terms and condition will remain same.	Instruments	Indicative allocations (% to total assets)		Risk Profile	Minimum	Maximum	Equity and Equity related instruments	65	100	High	Debt (including money market instruments & units of debt and liquid category schemes*)	0	35	Low to Medium	Units of REITs & InvITs	0	10	Medium to High
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Product Label	 This product is suitable for investors who are seeking*: • Capital Appreciation over medium to long term. • Investment in a diversified portfolio consisting of equity and equity related instruments across market capitalization.	 This product is suitable for investors who are seeking*: • Capital Appreciation over long term. • Investment in a diversified portfolio consisting of equity and equity related instruments across market capitalization.																																
Section D: Where will the Scheme Invest:	i) Equity and equity related instruments of domestic companies and/ or equity derivatives such as options and futures. ii) Debt and money market instruments.	i) Equity and equity related instruments of domestic companies and/ or equity derivatives such as options and futures. ii) Debt and money market instruments. iii) Units of REITs and InvITs. Additional Para to be incorporated: The scheme may invest upto 10% of the net assets in the units of REITs and InvITs. "REIT" or "Real Estate Investment Trust" shall have the meaning assigned in clause (zm) of sub-regulation 1 of regulation 2 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. REITs are companies that own and lease out commercial or residential real estate. The rental incomes from the properties are shared among REIT investors, who are allotted units. These units are tradeable on exchanges. "InvIT" or "Infrastructure Investment Trust" shall have the meaning assigned in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014. InvITs are similar to REITs, except these own infrastructure assets not real estate.																																
Section E: Investment Strategy	The Scheme aims to generate capital appreciation by investing in a diversified portfolio of equity & equity related instruments across market capitalization. The scheme will predominantly invest in equity and equity related instruments of well researched and growth-oriented companies. The fund would follow Top Down Approach towards construction of the diversified equity portfolio.	The Scheme aims to generate capital appreciation by investing in a diversified portfolio of equity & equity related instruments across market capitalization. The scheme will predominantly invest in equity and equity related instruments of well researched and growth-oriented companies																																
Section G : Benchmark	S&P BSE 500 TRI	S&P BSE 500 TRI																																
Section I Restrictions on Investments		Following restrictions to be incorporated: 1) No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and 2) A mutual fund scheme shall not invest – a) more than 10% of its NAV in the units of REIT and InvIT; and b) more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer. The limits mentioned in sub- clauses (a) and (b) above will not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REIT and InvIT.																																
Segregated Portfolio	NA	Segregated Portfolio related disclosures to be incorporated.																																

The following changes will be made in the SID/KIM for enabling provisions of creation of segregated portfolio, Units of REITs and InvITs in Tata Flexicap Fund:

Creation of segregated portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

- Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
 - Downgrade of a debt or money market instrument to 'below investment grade', or
 - Subsequent downgrades of the said instruments from 'below investment grade', or
 - Similar such downgrades of a loan rating
- Creation of segregated portfolio is optional and is at the discretion of the Tata Asset Management Ltd (AMC)
- In case of unrated debt and money market instruments by the scheme of an issuer that does not have any outstanding rated debt or money market instruments, segregated portfolio may be created only in case of actual default of either the interest or principal amount. In case of default of unrated debt or money market instruments of an issuer, TAML(AMC) will inform AMFI immediately about the actual default by the issuer. Pursuant to dissemination of information by AMFI about actual default, AMC may segregate the portfolio of debt and money market instruments.

Process for Creation of Segregated Portfolio

- On the date of credit event, AMC should decide on creation of segregated portfolio. Once Tata Asset Management Company (TAML) decides to segregate portfolio, it should:
 - seek approval of trustees prior to creation of the segregated portfolio.
 - immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. Tata Mutual Fund will also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC.
 - 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 will be suspended for processing with respect to creation of units and payment on redemptions.
- Once Trustee approval is received by the TAML:
 - Segregated portfolio will be effective from the day of credit event
 - TAML shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information will 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 portfolios will be disclosed from the day of the credit event.
 - 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.
 - No redemption and subscription will be allowed in the segregated portfolio. However, upon recovery of any money from segregated portfolio, it will be immediately distributed to the investors in proportion to their holding in the segregated portfolio.

- TAML should enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests
 - 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.
- If the trustees do not approve the proposal to segregate portfolio, AMC will issue a press release immediately informing investors of the same.
 - In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

Processing of Subscription and Redemption Proceeds

All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as under:

- Upon trustees' approval to create a segregated portfolio -
 - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
 - Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
- In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

Disclosure

TAML shall make necessary disclosures as mandated by SEBI, in statement of account, monthly / half yearly portfolio statements, Key Information Memorandum (KIM), SID, Scheme Advertisements, Scheme Performance data, AMC Website and at other places as may be specified.

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.

Monitoring by Trustees

Trustees will monitor the compliance of the SEBI Circular in respect of creation of segregated portfolio and disclosure in this respect shall be made in Half-Yearly Trustee reports filed with SEBI.

In order to avoid mis-use of segregated portfolio, Trustees will put in place a mechanism 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 Tata Asset Management Ltd., including claw back of such amount to the segregated portfolio of the scheme.

TER for the Segregated Portfolio

- TAML 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. In addition to the TER mentioned above, the legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio as mentioned below.
- The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by TAML.
- The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Explanations:

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

Risks associated with segregated portfolio

- Investor holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer.
- Security comprises of segregated portfolio may not realise any value.
- Listing of units of segregated portfolio in recognised 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.

Illustration of Segregated Portfolio

Portfolio Date	30-Nov-20
Downgrade Event Date	30-Nov-20
Downgrade Security	7.65% C Ltd from AA+ to B
Valuation Marked Down	25%
Mr. X is holding 1000 Units of the Scheme, amounting to (1000*15.0573) Rs.15057.3	

Portfolio Before Downgrade Event

Security	Rating	Type of the Security	Qty	Price Per Unit(Rs)	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	3200000	102.812	3289.98	21.850
7.70 % B LTD	CRISIL AAA	NCD	3230000	98.5139	3182.00	21.133
7.65 % C Ltd	CRISIL B*	NCD	3200000	73.843	2362.97	15.693
D Ltd (15/May/2019)	ICRA A1 +	CP	3200000	98.3641	3147.65	20.904
7.65 % E LTD	CRISIL AA	NCD	3000000	98.6757	2960.27	9.660
Cash / Cash Equivalents					114.47	0.760
		Net Assets			15057.34	
		Unit Capital (no of units)			1000.00	
		NAV (Rs)			15.0573	

*Marked down by 25% on the date of credit event. Before Marked down the security was valued at Rs.98.4570 per unit on the date of credit event i.e. on 31st March 2019, NCD of C Ltd (7.65%) will be segregated as separate portfolio.

Main Portfolio as on 30th November 2020

Security	Rating	Type of the Security	Qty	Price Per Unit(Rs)	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	3200000	102.812	3289.98	21.850
7.70 % B LTD	CRISIL AAA	NCD	3230000	98.5139	3182.00	21.133
D Ltd (15/May/2019)	ICRA A1 +	CP	3200000	98.3641	3147.65	20.904
7.65 % E LTD	CRISIL AA	NCD	3000000	98.6757	2960.27	19.660
Cash / Cash Equivalents					114.47	0.760
		Net Assets			12694.37	
		Unit Capital (no of units)			1000.00	
		NAV (Rs)			12.6944	

Segregated Portfolio as on 30th November 2020

Security	Rating	Type of the Security	Qty	Price Per Unit(Rs)	Market Value (Rs. in Lacs)	% of Net Assets
7.65 % C Ltd	CRISIL B*	NCD	3200000	73.843	2362.97	15.693
		Unit Capital (no of units)			1000.00	
		NAV (Rs)			2.3630	

Value of Holding of Mr. X after creation of Segregated Portfolio

	Segregated Portfolio	Main Portfolio	Total Value(Rs.)
No of units	1000	1000	
NAV(Rs.)	2.3630	12.6944	
Total Value (Rs.)	2362.97	12694.33	15057.30

Risks Associated with Investments in units of REITs and InvITs:

- Market Risk: Prices of Units of REITs and InvITs are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.
- Liquidity Risk: As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc. the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.
- Reinvestment Risk: Investments in units of REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- Regulatory/Legal Risk: Units of REITs and InvITs being new asset classes, rights of unit holders such as right to information etc. may differ from existing capital market asset classes under Indian Law.

Investment restriction applicable to Units of REITs and InvITs

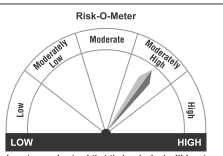
- No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and
- A mutual fund scheme shall not invest –
 - more than 10% of its NAV in the units of REIT and InvIT; and
 - more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.

The limits mentioned in sub- clauses (a) and (b) above will not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REIT and InvIT.

A written communication informing the above changes has been sent to all the unit holders of the scheme informing them of the above changes and option to exit from scheme at the prevailing NAV without payment of exit load from 29.12.2020 to 27.01.2021

Unit holders may note that no action is required in case they are in agreement with the aforesaid changes.

Load free exit period is available only for investors holding units as on 28.12.2020 as per Registrars records.

<p>Tata Multicap Fund is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Capital Appreciation over medium to long term period. Investment in a diversified portfolio consisting of equity and equity related instruments across market capitalization. <p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.</p>	 <p>Investors understand that their principal will be at Moderately High risk</p>
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- Notes: -**
- This notice cum addendum will form an integral part of the SID and KIM of the scheme.
 - All other terms and conditions of the SID/ KIM read with other addendums remain unchanged.

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.