

## KEY INFORMATION MEMORANDUM

# TATA

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## RETIREMENT SAVINGS FUND

(An open ended retirement solution oriented scheme having a lock-in of 5 years or till retirement age (whichever is earlier))

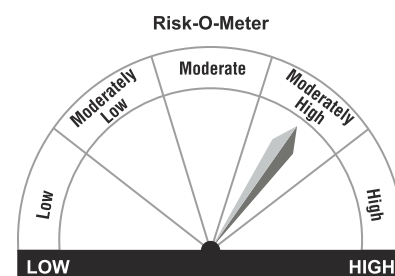
**These products are suitable for investors who are seeking\*:**

**TRSF-PROGRESSIVE PLAN:** • Long Term Capital Appreciation. • An equity oriented (between 85%-100%) savings scheme which provides tool for retirement planning to individual investors.

**TRSF-MODERATE PLAN:** • Long Term Capital Appreciation & Current Income. • A predominantly equity oriented (between 65%-85%) savings scheme which provides tool for retirement planning to individual investors.

**TRSF-CONSERVATIVE PLAN:** • Long Term Capital Appreciation & Current Income. • A debt oriented (between 70%-100%) savings scheme which provides tool for retirement planning to individual investors.

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



Investors understand that their principal will be at Moderately High risk

<b>Scheme Opened on</b>	07.10.2011
<b>Scheme Closed on</b>	21.10.2011
<b>Scheme Re-opened on</b>	09.11.2011

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document (SID) & Statement of Additional Information (SAI) available free of cost at any of the Investor Service Centres or distributors or from the website [www.tatamutualfund.com](http://www.tatamutualfund.com).**

The Scheme particulars have been prepared in accordance with Securities & Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date & filed with Securities & Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

**Name of the Mutual Fund**  
Tata Mutual Fund

**Name of the AMC**  
Tata Asset Management Ltd.  
CIN: U65990-MH-1994-PLC-077090

**Offer for Units at**  
NAV Based Prices

## INVESTMENT OBJECTIVE OF THE SCHEME

The objective of the Fund is to provide a financial planning tool for long term financial security for investors based on their retirement planning goals.

However, there can be no assurance that the investment objective of the fund will be realized, as actual market movements may be at variance with anticipated trends.

## ASSET ALLOCATION PATTERN OF THE SCHEME

Under normal circumstances, funds of the plans under the fund, shall (after providing for all ongoing expenses) be invested / the indicative asset allocation shall be as follows considering the objective of the Fund:

### Progressive Plan:

Instruments	Indicative allocations (% to total assets)**		Risk Profile
	Minimum	Maximum	
Equity and Equity related instruments	85	100	High
Debt & Money Market instruments	0	15	Low to Medium
Other Securities#	0	10	High

Investment by the plan in securitized debt will not normally exceed 15% of the net asset of the plan.

The plan level will have maximum derivative gross notional position of 100%^ of the net assets of the plan. Investment in derivative instruments may be done for trading as well as for hedging and Portfolio balancing.

The scheme may write call options under covered call strategy.

Not more than 25% of the net assets of the plan shall be deployed in securities lending. The plan would limit its exposure, with regards to securities lending, for a single intermediary, to the extent of 5% of the total net assets of the plan at the time of lending.

^ For calculation of Gross Derivative Exposure, all types of derivative exposure i.e. long and short position (excluding short positions created for hedging) will be aggregated. The aggregate exposure to derivative position, equity / equity related instruments, debt instruments and money market instruments (excluding Tri-party Repo, REPO and others cash equivalents instruments with residual maturity of less than 91 days) will not exceed 100% of the net assets of the plan.

# Other securities shall include: Domestic Exchange Traded Funds, Overseas Exchange Traded Funds / Foreign Securities / Foreign Funds as may be permitted under the extant SEBI Regulations.

### Moderate Plan:

Instruments	Indicative allocations (% to total assets)**		Risk Profile
	Minimum	Maximum	
Equity and Equity related instruments	65	85	High
Debt & Money Market instruments	15	35	Low to Medium
Other Securities#	0	10	High

Investment by the plan in securitized debt will not normally exceed 15% of the net asset of the plan.

The plan level will have maximum derivative gross notional position of 100%^ of the net assets of the plan. Investment in derivative instruments may be done for trading as well as for hedging and Portfolio balancing.

The scheme may write call options under covered call strategy.

Not more than 25% of the net assets of the plan shall be deployed in securities lending. The plan would limit its exposure, with regards to securities lending, for a single intermediary, to the extent of 5% of the total net assets of the plan at the time of lending.

^ For calculation of Gross Derivative Exposure, all types of derivative exposure i.e. long and short position (excluding short positions created for hedging) will be aggregated. The aggregate exposure to derivative position, equity / equity related instruments, debt instruments and money market instruments (excluding Tri-party Repo, REPO and others cash equivalents instruments with residual maturity of less than 91 days) will not exceed 100% of the net assets of the plan.

# Other securities shall include: Domestic Exchange Traded Funds, Overseas Exchange Traded Funds / Foreign Securities / Foreign Funds as may be permitted under the extant SEBI Regulations.

### Conservative Plan:

Instruments	Indicative allocations (% to total assets)**		Risk Profile
	Minimum	Maximum	
Equity and Equity related instruments	0	30	High

Debt & Money Market instruments	70	100	Low to Medium
Other Securities#	0	10	High

Investment by the plan in securitized debt will not normally exceed 25% of the net asset of the plan.

The plan level will have maximum derivative gross notional position of 100%^ of the net assets of the plan. Investment in derivative instruments may be done for trading as well as for hedging and Portfolio balancing.

Not more than 25% of the net assets of the plan shall be deployed in securities lending. The plan would limit its exposure, with regards to securities lending, for a single intermediary, to the extent of 5% of the total net assets of the plan at the time of lending.

^ For calculation of Gross Derivative Exposure, all types of derivative exposure i.e. long and short position (excluding short positions created for hedging) will be aggregated. The aggregate exposure to derivative position, equity / equity related instruments, debt instruments and money market instruments (excluding Tri-party Repo, REPO and others cash equivalents instruments with residual maturity of less than 91 days) will not exceed 100% of the net assets of the plan.

# Other securities shall include: Domestic Exchange Traded Funds, Overseas Exchange Traded Funds / Foreign Securities / Foreign Funds as may be permitted under the extant SEBI Regulations.

### Please Note:

- The above Asset Allocation Patterns are only indicative. The investment manager in line with the investment objective as may alter the above patterns for short term and on defensive consideration. The allocation between debt and equity will be decided based upon the prevailing market conditions, macro-economic environment and the performance of corporate sector, the equity market and other considerations.
- All the three plans under the fund may have similar securities. However, the exact proportion of such securities will depend upon the asset allocation of the respective plan.
- Investment in Foreign Securities / Overseas Financial Assets:

As per the RBI Policy announced in October 1997 and the guidelines of SEBI announced on September 30, 1999 and March 2002, Mutual funds have been permitted to invest in ADRs / GDRs issued by Indian Companies within certain limits. Since then, various SEBI Circulars have been issued laying down the ceiling limits for investment in foreign securities by Mutual Funds

SEBI vide its circular no. SEBI/IMD/CIR No2/122577/08 dated April 08, 2008 has increased the aggregate ceiling for the mutual fund industry to invest in following securities Up to US \$ 7 billion, and within this limit of US \$ 7 billion, individual Mutual Fund can make overseas investments in following securities to a maximum of US \$ 300 million:

- ADRs/GDRs issued by Indian companies or foreign companies, Equity of overseas companies listed on recognized stock exchanges overseas
- Initial and follow on public offering for listing at recognized stock exchange overseas
- Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
- Money market instruments rated not below investment grade
- Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
- Government securities where the countries are rated not below investment grade
- Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
- Short term deposits with banks overseas where the issuer is rated not below investment grade
- Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).

Mutual Funds are also permitted to invest in overseas Exchange Traded Funds (ETFs) cumulatively upto US\$ 1 billion with a sub – ceiling of US \$ 50 million for individual Mutual Fund.

Portfolio of overseas / foreign securities (if any) shall be managed by a dedicated Fund Manager, while selecting the securities the Fund Manager may rely on the inputs received from internal research or research conducted by external agencies in various geographies. The fund may also appoint overseas investment advisors / managers to advise / manage portfolio of foreign securities.

The investment in such Overseas Financial Assets shall not exceed the limit as may be imposed by SEBI/ RBI from time to time.

AMC believes that overseas securities offer new investment and portfolio diversification opportunities into multi-market and multicurrency products. However, such investments also entail additional risks. The Fund may, where necessary, appoint other intermediaries of repute as advisors, sub-managers, or sub custodians for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements, if any, of SEBI.

To the extent that the assets of the plans will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets may be adversely affected by changes in the value of certain foreign currencies relative to the Indian rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances or any other restriction applicable to it. To manage risk associated with foreign currency and interest rate exposure and for efficient portfolio management, the fund may use derivatives such as cross currency swaps etc. The use of derivatives would be in accordance with the prevailing regulations.

4. The plans under the fund will purchase securities in the public offerings and rights issues, as well as those traded in the secondary markets. On occasions, if deemed appropriate, the plans will invest in securities sold directly by the issuer, or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under various plans of the fund shall be invested only in transferable securities.
5. As per SEBI (Mutual Funds) Regulations 1996, the Fund shall not make any investments in any un-listed securities of associate / group companies of the Sponsors. The Fund will also not make investment in privately placed securities issued by associate / group companies of the Sponsors. The Fund may invest not more than 25% of the net assets in listed securities of Group companies.
6. The AMC may from time to time for a short term period on defensive consideration invest upto 100% of the funds available in Money Market Instruments, the primary motive being to protect the Net Asset Value of the plans and protect unitholders interests so also to earn reasonable returns on liquid funds maintained for redemption/repurchase of units.

**Change in Investment Pattern:** Investment strategy and pattern may be deviated from time to time, provided such modification is in accordance with the Fund objective and Regulations as amended from time to time including by way of Circulars, Press Releases, or Notifications issued by SEBI or the Government of India to regulate the activities and growth of Mutual Funds. The asset allocation pattern will be reviewed periodically. In case of any deviation, the AMC will endeavour to achieve a normal asset allocation pattern in a maximum period of one month. However, if such modified / deviated portfolio is not rebalanced within a period of one month then justification for such delay in rebalancing of portfolio shall be placed before the investment committee and the reasons for the same shall be recorded in writing. The investment committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the scheme.

## RISK PROFILE OF THE SCHEME

Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investments. Scheme specific Risk Factors are summarised below:

### Investment Risks

The price of securities may go up or down depending on a variety of factors and hence investors may note that AMC/Fund Manager's investment decisions may not be always profitable. Although it is intended to generate capital appreciation and maximize the returns by actively investing in equity securities and utilising debt and money market instruments as a defensive investment strategy. The price of securities may be affected generally by factors affecting capital markets such as price and volume, volatility in the stock markets, interest rates, currency exchange rates, foreign investment, changes in Government and Reserve Bank of India policy, taxation, political, economic or other developments, closure of the Stock Exchanges etc.

**Liquidity and Settlement Risks:** The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. From time to time, the Scheme will invest in certain securities of certain companies, industries, sectors, etc. based on certain investment parameters as adopted internally by AMC. While at all times the AMC will endeavour that excessive holding/investment in certain securities of industries, sectors, etc. by the Scheme(s) are avoided, the funds invested by the Scheme in certain securities of industries, sectors, etc. may acquire a substantial portion of the Scheme's investment portfolio and collectively may constitute a risk associated with non-diversification and thus could affect the value of investments. Reduced liquidity in the secondary market may have an adverse impact on market price and the Scheme's ability to dispose of particular securities, when necessary, to meet the Scheme's liquidity needs or in response to a specific economic event or during restructuring of the Scheme's investment portfolio.

**Regulatory Risk:** The value of the securities may be affected by uncertainties such as changes in government policies, changes in taxation and other developments in the laws and regulations.

**Risk associated with Unlisted Securities:** Securities which are not quoted on the stock exchanges are inherently liquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including the put options. The liquidity and valuation of the scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

**Securities Lending by the Mutual Fund:** The Scheme may participate in securities lending and borrowing scheme in accordance with Securities Lending Scheme, 1997, Regulation 44 (4) of SEBI (Mutual Funds) Regulations, 1996, SEBI circular no MFD/CIR/01/047/99 dated February 10, 1999, framework for short selling and borrowing and lending of securities notified by SEBI circular no MRD/DoP/SE/Cir-14/2007 dated 20, 2007 and SEBI circular no SEBI / IMD / CIR No 14 / 187175/ 2009 dated December 15, 2009 and SEBI circular no CIR/MRD/DP/122/2017 dated November 17, 2017.

### Risks associated with Debt / Money Markets

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

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

**Reinvestment Risk:** This risk refers to the difference in the interest rate levels at which cash flows received from the securities in the scheme is reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows are reinvested may be lower than that originally assumed.

**Counterparty Risk:** This is the risk of failure of counterparty to the transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the scheme in case of counterparty default.

**Derivatives Risk:** Derivatives carry the risk of adverse changes in the market price. The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Although for exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement however in OTC trades the possibility of settlement is limited.

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

**Risk Associated with overseas investments:** To the extent the assets of the schemes are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment.

**Risks Associated with Securitised Debt:** Risk due to prepayment: In case of securitized debt, changes in market interest rates and pre-payments may not change the absolute amount of receivables for the investors but may have an impact on the reinvestment of the periodic cash flows that an investor receives on securitized papers. In the event of pre-payment of the underlying debt, investors may be exposed to changes in tenor and yield.

**Liquidity Risk:** Presently, despite recent legal developments permitting the listing of securitized debt instruments, the secondary market for securitized debt in India is not very liquid. Even if a more liquid market develops in the future, secondary transactions in such instruments may be at a discount to initial issue price due to changes in the interest rate structure.

**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 and thereby, adversely affect the NAV of the Scheme. While it is possible to repossess and sell the underlying asset, various factors can delay or prevent repossession and the price obtained on sale of such assets may be low.

**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', then the Scheme could experience losses or delays in the payments due. Normally, 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'.

**Risk of Co-mingling:** Servicers in a securitization transaction normally deposit all payments received from the obligors into a collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account. In this interim period, collections from the loan agreements by the servicer may not be segregated from other funds of the servicer. If the Servicer fails to remit such funds due to investors, investors in the Scheme may be exposed to a potential loss.

For detailed Risk Factors refer Scheme Information Document of the Scheme.

#### **Risk Related to the Overseas Investments:**

The plans under the fund may invest in overseas securities and overseas investments are prone to following risks:

In respect of the corpus of the plan under the fund that is invested in overseas mutual fund schemes, investors shall bear the proportionate recurring expenses of such underlying scheme(s), in addition to the recurring expenses of the plan. Therefore, the returns attributable to such investments by the plan may be impacted or may, at times, be lower than the returns that the investors could obtain by directly investing in the said underlying scheme.

To the extent the assets of the plans under the fund are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilization of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

The plans under the fund may also invest in ADRs / GDRs / Foreign Debt Securities as permitted by Reserve Bank of India and Securities and Exchange Board of India. To the extent that some part of the assets of the plans may be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

As the investments may be made in stocks of different countries, the portfolio shall be exposed to the political, economic and social risks with respect to each country. However, the portfolio manager shall ensure that his exposure to each country is limited so that the portfolio is not exposed to one country. Investments in various economies will also diversify and reduce this risk.

**Currency Risk:** The plans under the fund may invest in securities denominated in a broad range of currencies and may maintain cash in such currencies. As a consequence, fluctuations in the value of such currencies against the currency denomination of the relevant scheme will have a corresponding impact on the value of the portfolio. Furthermore, investors should be aware that movements in the rate of exchange between the currency of denomination of a fund and their home currency will affect the value of their shareholding when measured in their home currency.

#### **Risks associated with Derivatives**

Derivative products are leverage instruments and can provide disproportionate gains as well as disproportionate losses to the investors. 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 involved 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 products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative add to the portfolio and the ability to forecast price of securities being hedged and interest rate movements correctly. There is a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counterparty") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

The 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".

#### **Risks Associated with Securitized Debt**

**Risk due to prepayment:** In case of securitized debt, changes in market interest rates and pre-payments may not change the absolute amount of receivables for the investors but may have an impact on the reinvestment of the periodic cash flows that an investor receives on securitized papers.

In the event of pre-payment of the underlying debt, investors may be exposed to changes in tenor and yield.

**Liquidity Risk:** Presently, despite recent legal developments permitting the listing of securitized debt instruments, the secondary market for securitized debt in India is not very liquid. Even if a more liquid market develops in the future, secondary transactions in such instruments may be at a discount to initial issue price due to changes in the interest rate structure.

**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 and thereby, adversely affect the NAV of the Fund. While it is possible to repossess and sell the underlying asset, various factors can delay or prevent repossession and the price obtained on sale of such assets may be low.

**Bankruptcy Risk:** If the originator of securitized debt instruments in which the Fund 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', then the Fund could experience losses or delays in the payments due. Normally, 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'.

**Risk of Co-mingling:** Servicers in a securitization transaction normally deposit all payments received from the obligors into a collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account. In this interim period, collections from the loan agreements by the servicer may not be segregated from other funds of the servicer. If the Servicer fails to remit such funds due to investors, investors in the Fund may be exposed to a potential loss.

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

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus, reducing the settlement and counterparty risks considerably for transactions in the said segments.

The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

Repo in Corporate Debt Securities (Applicable only for Conservative Plan)

Tata Retirement Savings Fund -Conservative Plan may participate in repo in corporate debt securities subject to guidelines specified by RBI and SEBI which includes the following:

- Gross exposure to corporate bond repo transaction should be not more than 10% of the net asset of the scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme.
- The Scheme will participate in repo transactions only in AA and above rated corporate debt securities.
- The Scheme may borrow through repo transactions (for redemption/dividend payout) only if the tenor of the transaction does not exceed a period of six months and aggregate borrowing is not more than 20% of net assets of the Scheme.
- Credit exposure will be on the counterparty and not on the collateral securities in case of corporate bond repo. Issuer and counterparty limits will be based on approved credit universe.

The scheme will ensure compliance with the Seventh Schedule of the Mutual Funds Regulations about restrictions on investments, wherever applicable, with respect to repo transactions in corporate debt securities.

As mandated by SEBI vide circular CIR / IMD / DF / 19 / 2011 dated November 11, 2011, AMC and Trustee company of Tata Mutual Fund have specified norms for Category of counterparty, credit rating of counterparty, tenor of collateral and applicable haircuts for participation in repo in corporate bonds.

The above lists are illustrative and not the exhaustive and may include other money market securities as may be available / introduced in the market.

#### **Risk of Writing of Call Option Under a Cover Call Strategy:**

Under a delivery settlement a call writer will have to part with the physical holding of security which was originally intended for long term holding.

#### **Writing of call options under covered call strategy**

The scheme may write call options under covered call strategy subject to conditions specified by SEBI which includes the following:

- 1) Call option writing under a cover call strategy is allowed 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 a scheme shall not exceed 15% of the total market value of equity shares held in that 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 encumbrance.
- 4) 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.
- 5) The total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
- 6) The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired

For further details, please refer the Scheme Information Document.

#### Risks associated with Segregated Portfolio (Applicable for Moderate and Conservative Plan)

Investor holding units of segregated portfolio may not 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.

#### Risk mitigation measures for equity and related investments:

Investment in equity has an inherent market risk which can not be mitigated generally. However following measures have been implemented with an objective to mitigate /control other risks associated with equity investing:

Nature of Risk	Measures to Mitigate Risk
Regulatory Risk	Online monitoring of various exposure limits by the Front Office System. Also as a back up, manual controls are also implemented.
Poor Portfolio Quality	Pre approved universe of stocks based on strong fundamental research. New stock addition only with the prior approval of investment committee.
Performance Risk	Periodical review of stock wise profit & loss. Review of fund performance vis. a vis. benchmark index as well as peer group.
Liquidity Risk	Periodical review of the liquidity position of each scrip (Market capitalization, average volume in the market vis. a vis. Portfolio Holding)
Concentration Risk	Cap on maximum single sector exposure. Cap on maximum single stock exposure. Exposure to minimum 'X' number of stocks / sectors in a portfolio.

Further, with respect to investments in overseas securities, apart from other risks, there is an inherent risk of currency fluctuation which can not be mitigated. However, the fund will strive to minimize such risk by hedging in the FOREX market as and when permitted.

#### Risk Mitigation measures for Debt and related Investments:

Nature of Risk	Measures to Mitigate Risk
Liquidity Risk	<ul style="list-style-type: none"> <li>• Focus on good quality paper at the time of portfolio construction</li> <li>• Portfolio exposure spread over various maturity buckets.</li> </ul>
Credit Risk	<ul style="list-style-type: none"> <li>• In house dedicated team for credit appraisal</li> <li>• Issuer wise exposure limit</li> <li>• Rating grade wise exposure limit</li> <li>• Independent rating of fund portfolio by recognized rating agency.</li> <li>• Periodical portfolio review by the Board of AMC</li> </ul>
Interest Rate Risk	<ul style="list-style-type: none"> <li>• Close watch on the market events</li> <li>• Active duration management</li> <li>• Cap on Average Portfolio maturity depending upon the fund objective and strategy</li> <li>• Portfolio exposure spread over various maturities.</li> </ul>
Regulatory Risk	Online monitoring of various exposure limits by the Front Office System also as a back up, manual control are implemented.

Investment in overseas securities and overseas investments are subject to various risks such as currency fluctuations, restriction on repatriation,

changes in regulations, political, economic and social instability and prevalent tax laws of respective jurisdictions. Investment in securitized debt are subject to risk due to prepayment, liquidity risk, limited recourse and credit risk, bankruptcy risk and risk of co-mingling (refer SID for further details). Derivative products are leverage instruments and can provide disproportionate gains as well as disproportionate losses to the investors. These are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. 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.

#### PLANS AND OPTIONS

Name of the Schemes / Plan	Option
Tata Retirement Savings Fund – Progressive Plan - Regular Plan Tata Retirement Savings Fund – Progressive Plan - Direct Plan	Growth
Tata Retirement Savings Fund – Moderate Plan - Regular Plan Tata Retirement Savings Fund – Moderate Plan - Direct Plan	
Tata Retirement Savings Fund – Conservative Plan - Regular Plan Tata Retirement Savings Fund – Conservative Plan - Direct Plan	

#### Default Plan:

Investor should appropriately tick the 'plan' (Progressive / Moderate / Conservative) in the application form while investing in the fund. If plan is not indicated by the investor, then units shall, by default, be allotted as under:

- a) If, at the time of investment, investor's age is less than 45 years then "Progressive Plan" shall be considered as a default plan and units shall be allotted accordingly.
- b) If, at the time of investment, investor's age is 45 years or greater but less than 60 years then "Moderate Plan" shall be considered as a default plan and units shall be allotted accordingly.
- c) If, at the time of investment, investor's age is 60 years or greater then "Conservative Plan" shall be considered as a default plan and units shall be allotted accordingly.

#### Default option under Direct / Regular Plan:

Investors are requested to note the following scenarios for the applicability of "Direct Plan (application not routed through distributor) or Regular Plan (application routed through distributor)" for valid applications received under the plan of 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 Plan	Direct Plan
3	Not mentioned	Regular Plan	Direct Plan
4	Mentioned	Direct Plan	Direct Plan
5	Direct Plan	Not Mentioned	Direct Plan
6	Direct Plan	Regular Plan	Direct Plan
7	Mentioned	Regular Plan	Regular Plan
8	Mentioned	Not Mentioned	Regular Plan

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 & 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.

Unitholders can opt for only one dividend sub-option under a scheme in a single folio. In case, different dividend sub-options are required, unitholders are required to create a new folio.

Also note that the dividend sub-option selected in the last inflow transaction will be applicable to all the transactions in the respective scheme sub-option in the folio. Below example will explain the above statement:

Date	Request by unitholder	Sub Option
01/01/2019	Purchase in Dividend Option	Payout
02/03/2019	SIP Registered in Dividend Option	Reinvestment
03/05/2019	Additional Purchase in Dividend Option	Payout
02/06/2019	SIP Instalment	Reinvestment

Hence the dividend sub option chosen by unitholders in the last transaction (i.e SIP instalment as on 02/06/2019 sub option reinvestment) will be applicable to all transactions in the related scheme sub option in the folio.

In case of statutory/ legal attachments/ suspensions or litigations/ disputes at the unitholders /investor's end, the dividends will compulsorily be reinvested and no payout shall be made during the said period, irrespective of the dividend sub-option selected.

## APPLICABLE NAV

### Applicable NAV for Subscription / Switch-in:

#### I) Cut off timing for subscriptions (including switch in):

Application Size	Applicable NAV
<b>For application amount of Rs. 2 Lacs* &amp; above</b> * Multiple applications (purchase including switch in) submitted by investor on same day for the same scheme, shall be aggregated at investor level (i.e. First holder / Sole Holder) for determination of Rs. 2 Lacs.	NAV of the day on which the funds are realized up to 3.00 p.m (Subject to transaction being time-stamped upto 3 p.m. on the date of realization of funds).
<b>For application amount upto Rs. 2 Lacs</b>	If application is time stamped before 3 p.m on any business day - Applicable NAV shall be the closing NAV of the date of receipt of the application.  If application is time stamped after 3 p.m on any business day - Applicable NAV shall be the closing NAV of the next business day.

Unitholders/Prospective Investors shall note that, after taking into account of the impact of the revised trading hours for various markets as per the RBI Press Release dated April 03, 2020, and subsequently on April 16, 2020, on April 30, 2020 the cut-off timing for both subscription and redemption in all open ended schemes of mutual fund has been reduced for a temporary period till further notice.

In case of subscription/Switch in Transactions: 01:00 p.m.

In case of Redemption/Switch Out Transactions: 01:00 p.m.

All other provisions of SEBI (Mutual Funds), Regulations 1996 and circulars issued thereunder regarding applicability of NAV in respect of subscription and redemption remain unchanged.

In case of switch transactions, funds will be made available for utilization in the switch-in scheme based on redemption payout cycle of the switch out scheme.

#### II) Applicable NAV & cut-off timing for Repurchase/Redemption including Switch-outs or Reverse Sweep:

a. Where the valid application is received upto 3.00 pm at the Official Point of Acceptance, Closing NAV of the same day shall be applicable.

b. Where the valid application is received after 3.00 pm at the Official Point of Acceptance, the closing NAV of the next business day shall be applicable.

No outstation cheques will be accepted.

As per the existing procedure, the applications will be time stamped in accordance with the SEBI Guidelines.

The Trustee/AMC may alter the limits & other conditions in line with the regulations.

#### Switch Transactions

**Valid application for "switch out" shall be treated as redemption and for "switch in" shall be treated as purchases and the relevant NAV of "Switch in" and "Switch Out" shall be applicable accordingly.**

Above cut off timings shall also be applicable to investments made through 'Sweep' mode.

Since the fund may invest in overseas securities, the NAV of the fund, in that case, will be based on the prices of overseas securities converted into Indian Rupees.

## MINIMUM APPLICATION AMOUNT / NUMBER OF UNITS

**For all the plans under the Fund:**

**For fresh subscription / switch-in:** ₹ 5,000/- and in multiples of ₹ 1/- thereafter

**For Additional investment by existing investor:** ₹ 1,000/- and in multiples of ₹ 1/- thereafter.

The repurchase / switches request can be made for a minimum of :- Rs. 500/- / 50 units or folio available balance whichever is lower.

## DESPATCH OF REPURCHASE (REDEMPTION) REQUEST

Within 10 working days of the date of acceptance of the redemption request at the authorised centre of Tata Mutual Fund.

## BENCHMARK INDEX

Progressive Plan – S& P BSE 200 TRI

Moderate Plan – CRISIL Hybrid 25+75 Aggressive Index

Conservative Plan – CRISIL Short Term Debt Hybrid 75+25 Fund Index

## DIVIDEND POLICY

At present the Fund does not envisage any income distribution under any of the plan. The income / profits received / earned would be accumulated by the Fund as per the objective of the Fund as capital accretion, aimed at achieving medium to long term capital growth and reflected in the NAV. Guided by the philosophy of value-oriented returns, the Trustee Company may periodically capitalise net earnings of the Fund (including interest income and realised gains and losses on the Securities) by way of allotment/credit of bonus Units to the Unitholders Accounts, the intent being to protect the Net Asset Value of the Fund and Unitholders' interests.

The Fund does not assure any targeted annual return / income or any capitalisation ratio. Normally the Fund will have positive net earnings at the time of each determination of earnings and the consequent NAV, However, accumulation of earnings and / or capitalisation of bonus units and the consequent determination of NAV, may be suspended temporarily or indefinitely under any of the circumstances as stated in the clause "Suspension of Ongoing Sale, repurchase or switch of units" under General Information section of SAI"

However, the fund may introduce dividend / bonus options subsequently.

## FUND MANAGER

Sonam Udasi (Equity Portfolio of Tata Retirement Savings Fund –Progressive, Moderate & Conservative Plan managing since 01.04.2016.)

Murthy Nagarajan (managing the debt portfolio of the scheme since 01.04.2017)

Ennette Fernandes (Assistant Fund Manager Since 18.06.2018)

## NAME OF THE TRUSTEE COMPANY

Tata Trustee Company Limited

## PERFORMANCE OF THE SCHEME AS ON 30 APRIL 2020

Tata Retirement Savings Fund - Progressive Plan	Compounded Annualised Returns			
	Returns for Last 1 Year	Returns for Last 3 Years	Returns for Last 5 Years	Returns Since Inception
Scheme Returns %	-7.32	2.10	7.95	12.35
Benchmark Returns % (S&P BSE SENSEX TRI)	-14.55	1.77	5.27	9.62

Tata Retirement Savings Fund - Moderate Plan	Compounded Annualised Returns			
	Returns for Last 1 Year	Returns for Last 3 Years	Returns for Last 5 Years	Returns Since Inception
Scheme Returns %	-6.58	2.18	6.84	12.94
Benchmark Returns % (CRISIL Hybrid 25+75 Aggressive Index)	-7.07	3.93	6.58	9.82

Tata Retirement Savings Fund - Conservative Plan	Compounded Annualised Returns			
	Returns for Last 1 Year	Returns for Last 3 Years	Returns for Last 5 Years	Returns Since Inception
Scheme Returns %	4.54	4.87	7.14	8.93
Benchmark Returns % (CRISIL Short Term Debt Hybrid 75+25 Fund Index)	4.53	6.83	7.85	9.21

## PERFORMANCE OF THE SCHEME OF LAST 5 FINANCIAL YEARS

### TATA RETIREMENT SAVINGS FUND - PROGRESSIVE PLAN

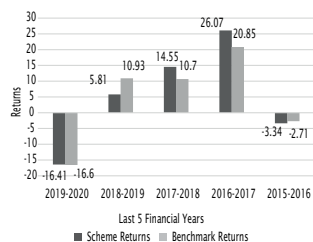
Financial Year	Scheme Returns	Benchmark Returns
2015-2016	-5.49	-6.42
2016-2017	30.04	24.03
2017-2018	17.67	12.49
2018-2019	5.11	12.1
2019-2020	-18.5	-25.24

Returns are given for Regular Plan growth option. Benchmark: S & P BSE 200 TRI. date of allotment 01 November 2011.

Past performance may or may not be sustained in future.

**TATA RETIREMENT SAVINGS FUND - MODERATE PLAN**

Financial Year	Scheme Returns	Benchmark Returns
2015-2016	-3.34	-2.71
2016-2017	26.07	20.85
2017-2018	14.55	10.7
2018-2019	5.81	10.93
2019-2020	-16.41	-16.60

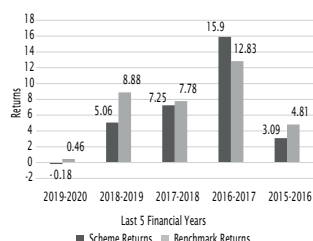


Returns are given for Regular Plan growth option. Benchmark: CRISIL Hybrid 25+75 Aggressive Index. date of allotment 01 November 2011.

Past performance may or may not be sustained in future.

**TATA RETIREMENT SAVINGS FUND - CONSERVATIVE PLAN**

Financial Year	Scheme Returns	Benchmark Returns
2015-2016	3.09	4.81
2016-2017	15.9	12.83
2017-2018	7.25	7.78
2018-2019	5.06	8.88
2019-2020	-0.18	0.46



Returns are given for Regular Plan growth option. Benchmark: CRISIL Short Term Debt Hybrid 75+25 Fund Index date of allotment 01 November 2011.

Past Performance may or may not be sustained in future. Performance given for Regular Plan Growth Option.

**Additional Disclosure with respect to SEBI Circular: SEBI/HO/IMD/DF2/CIR/2016/42 dated March 18, 2016.**

**Top 10 holdings by issuer in Progressive Plan as on 30.04.2020**

Name of Issuer	% of AUM
HDFC BANK LTD.	8.23
ICICI BANK LTD.	7.2
RELIANCE INDUSTRIES LTD.	6.81
BHARTI AIRTEL LTD.	4.48
KOTAK MAHINDRA BANK	3.92
HDFC LTD.	3.73
HINDUSTAN UNILEVER LTD.	3.42
ITC LTD.	2.66
DR. REDDYs LABORATORIES LTD.	2.6
HDFC LIFE INSURANCE CO. LTD.	2.4

**Top 10 holdings by issuer in Moderate Plan as on 30.04.2020**

Name of Issuer	% of AUM
GOVT OF INDIA	9.79
HDFC BANK LTD.	7.07
ICICI BANK LTD.	6.14
RELIANCE INDUSTRIES LTD.	5.88
BHARTI AIRTEL LTD.	3.83
KOTAK MAHINDRA BANK	3.43
HDFC LTD.	3.21
HINDUSTAN UNILEVER LTD.	2.95
HOUSING & URBAN DEVELOPMENT CORPORATION LTD.	2.37
NHPC LTD.	2.36

**Top 10 holdings by issuer in Conservative Plan as on 30.04.2020**

Name of Issuer	% of AUM
GOVT OF INDIA	56.69
POWER FINANCE CORPORATION	7.52
FOOD CORPORATION OF INDIA LTD.	4
SDL MAHARASHTRA STATE GOVERNMENT	2.89
HDFC BANK LTD.	2.56
ICICI BANK LTD.	2.22
RELIANCE INDUSTRIES LTD.	2.01
BHARTI AIRTEL LTD.	1.4
NABARD	1.39
KOTAK MAHINDRA BANK	1.31

The monthly portfolio of the Scheme-All plans shall be available in a user-friendly and downloadable format on the [www.tatamutualfund.com](http://www.tatamutualfund.com).

**Funds Allocation towards various sectors as on 30.04.2020**
**Tata Retirement Savings Fund- Progressive Plan**

Sectors	% of AUM
FINANCIAL SERVICES	34.82
CONSUMER GOODS	23.14
PHARMA	8.52
OIL & GAS	8.04
SERVICES	5.24
TELECOM	4.48
AUTOMOBILE	3.12
FERTILISERS & PESTICIDES	2.39
CEMENT & CEMENT PRODUCTS	1.03
INDUSTRIAL MANUFACTURING	0.79
CHEMICALS	0.39

**Tata Retirement Savings Fund- Moderate Plan**

Sectors	% of AUM
FINANCIAL SERVICES	34.07
CONSUMER GOODS	19.99
SOVEREIGN	9.79
PHARMA	7.38
OIL & GAS	6.97
POWER	6.6
SERVICES	4.51
TELECOM	3.83
AUTOMOBILE	2.71
FERTILISERS & PESTICIDES	2.06
CEMENT & CEMENT PRODUCTS	0.88
CHEMICALS	0.83
INDUSTRIAL MANUFACTURING	0.68

**Tata Retirement Savings Fund - Conservative Plan**

Sectors	% of AUM
SOVEREIGN	59.58
FINANCIAL SERVICES	19.58
CONSUMER GOODS	10.54
PHARMA	2.51
OIL & GAS	2.46
SERVICES	1.61
TELECOM	1.4
AUTOMOBILE	0.9
FERTILISERS & PESTICIDES	0.71
CEMENT & CEMENT PRODUCTS	0.32

**Portfolio Turnover of Tata Retirement Savings Fund- Progressive Plan: 0.72 Times as on 30th April 2020 (for 13 Months).**

**Portfolio Turnover of Tata Retirement Savings Fund- Moderate Plan: 0.80Times as on 30th April 2020 (for 13 Months).**

**Portfolio Turnover of Tata Retirement Savings Fund- Conservative Plan: 0.39 Times as on 30th April 2020 (for 13 Months).**

**EXPENSES OF THE SCHEME**

**I] Applicable load structure for investments made (as a % of relevant NAV) Entry Load: Nil. (Entry Load is not applicable, w.e.f. August 01, 2009).**

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. As per SEBI circular SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009 there shall be no entry load for all Mutual Fund schemes. Applicable tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of tax, if any, shall be credited to the scheme.

**For Progressive, Moderate & Conservative Plans:**

**Entry Load:** N.A. for all the plans under the fund.

**Exit Load:**

a) If redeemed / switched-out on or after attainment of retirement age i.e. 60 years of age - Nil

b) In case of Auto switch-out of units on occurrence of "Auto-switch trigger event" - Nil

c) For Redemption of units before 61 Months from the date of allotment: 1% of the applicable NAV

[The scheme has a lock-in period of 5 years or till retirement age i.e 60 Years (whichever is earlier)]

**Exit Load Free Switch-outs\*:** After completion of 5 years from the date of allotment, investors can avail exit load free switch from one plan to other plan of 'the Fund. However, this facility is available for a maximum six occasions during the tenure of investment in the Fund.

Switch-out before completion of 5 years from the date of allotment or switch-out to other schemes of 'Tata Mutual Fund' (i.e. other than switch between the plans of Tata Retirement Savings Fund) or switch-out beyond the allowed free occasions / times (i.e. 6 times) shall be subject to exit loads as mentioned in point (a, b & c) above.

Calculation of holding period - In case of switch-out (auto switch or otherwise) of units, before attainment of the retirement age, to other plans of this fund, holding period for the purpose of exit load will be the overall holding period in "Tata Retirement Savings Fund" (i.e. aggregate of the holding period in switch out plan as well as switch in plan).

\*It may please be noted that, those investors who avail this exit load free switch-out facility are required to re-register for the auto-switch facility from the plan to which they switch-in. However, auto-SWP facility shall remain in force and will be activated, upon attainment of the age of 60 years, from the plan to which they switch-in Bonus units and units issued on reinvestment of dividends shall not be subject to exit load.

The AMC reserves the right to change/modify exit load, depending upon the circumstances prevailing at any given time. However any change in the load structure will be applicable on prospective investment only. At the time of changing the load structure, the AMC will adopt the following measures:

- The addendum detailing the changes may be attached to Scheme Information Documents and Key Information Memorandum. The addendum may be circulated to all the distributors/brokers so that same can be attached to all Scheme Information Documents and Key information memoranda already in stock.
- The investor is requested to check the prevailing load structure of the scheme before investing. For any change in load structure arrangement may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centers and distributor/ brokers' office.
- The introduction of the exit load along with the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
- A public notice shall be given in respect of such changed in one English daily newspaper having nationwide circulation as well as in a newspaper publishes in the language of region where the Head office of Mutual Fund is situated.

### II] Annual Recurring Expenses

Actual Expenses % to daily net assets for the F.Y. 2019-2020		
Name of the Scheme	Direct Plan	Regular Plan
Tata Retirement Savings Fund - Progressive Plan	0.82%	2.34%
Tata Retirement Savings Fund - Moderate Plan	0.66%	2.18%
Tata Retirement Savings Fund - Conservative Plan	1.07%	2.20%

In addition to above, the investor should refer website of Tata Mutual Fund for the latest expense ratio of the schemes.

**Note:** Actual expenses is inclusive of additional limit as specified in sub-regulation (6A) (b) & (c) of regulation 52 of SEBI (Mutual Funds) Regulations' 1996 Goods and Service Tax on investment management fees.

### III] Fees and Expenses

The maximum recurring expenses of the Scheme is estimated below:

Ref	Expenses Head	% of Daily Net Assets For Equity Oriented Schemes #	% of Daily Net Assets for Other Than Equity Oriented Schemes #
	Investment Management and Advisory Fees	Upto 2.25%	Upto 2.00%
	Trustee fee		
	Audit fees		
	Custodian fees		
	RTA Fees		
	Marketing & Selling expense incl. agent commission		
	Other Expenses		
	Cost related to investor communications		
	Cost of fund transfer from location to location		
	Cost of providing account statements and dividend redemption cheques and warrants		
	Costs of statutory Advertisements		
	Cost towards investor education & awareness (at least 2 bps)		
	Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.		
	Goods & Service tax on expenses other than investment and advisory fees		
	Goods & Service tax on brokerage and transaction cost		
(a)	<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c)</b>	<b>Upto 2.25%*</b>	<b>Upto 2.00%*</b>
(b)	Additional expenses under regulation 52 (6A) (c)	Upto 0.05%	Upto 0.05%
(c)	Additional expenses for gross new inflows from specified cities under regulation 52 (6A) (b)	Upto 0.30%^	Upto 0.30%^

\* Excluding Goods & Service tax on investment and advisory fees.

# **Note: Expenses of Direct Plan will be lower than expenses of the Regular Plan as no commission/distribution expenses will be charged in the case of Direct Plan. All fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan. NAV of the Direct Plan will be different than the NAV of Regular Plan.**

In case of a scheme invest invests a minimum of sixty-five percent of its net assets in equity and equity related instruments, the scheme will be considered as equity oriented scheme for the purpose of total expense ratio.

The maximum recurring expenses for the scheme shall be subject to following limits\*\*

Assets under management slab (Rs. In crores)	Total expense ratio limits for equity oriented schemes	Total expense ratio limits for other than equity oriented schemes
on the first Rs.500 crores of the daily net assets	2.25%	2.00%
on the next Rs.250 crores of the daily net assets	2.00%	1.75%
on the next Rs.1250 crores of the daily net assets	1.75%	1.50%
on the next Rs.3000 crores of the daily net assets	1.60%	1.35%
on the next Rs.5000 crores of the daily net assets	1.50%	1.25%
On the next Rs. 40000 crores of the daily net assets	Total expense ratio reduction of 0.05% for every increase of Rs.5000 crores of daily net assets or part thereof.	Total expense ratio reduction of 0.05% for every increase of Rs.5000 crores of daily net assets or part thereof.
on the balance of the assets	1.05%	0.80%

\*\*in addition to the above the scheme may charge additional limit of 0.05% (subject to applicability of exit load) specified in sub regulation (6A)(c) of Regulation 52 of SEBI (Mutual Funds) Regulations, 1996 excluding tax on investment management & advisory fees and expenses not exceeding of 0.30 per cent of daily net assets as stated in regulation 6A(b) of SEBI ( Mutual Funds) Regulation, 1996.



^ Expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least:

- (i) 30 per cent of gross new inflows in the scheme, or;
- (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis:

Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities:

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

Additional TER can be charged based on inflows only from retail investors (i.e other than corporates and institutions) from B 30 cities as defined in the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/42 March 25, 2019. Inflows of amount upto Rs.200000/- per transaction, by individual investors shall be considered as inflows from "retail investor".

Notes:

- 1) Brokerage & transaction costs (including tax) which are incurred for the purpose of execution of trade may be capitalised to the extent of

12bps and 5bps for cash market transactions and derivatives transactions respectively. GST on brokerage and transaction cost paid for execution of trades shall be within the limit prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996.

- 2) AMC shall annually set apart atleast 2 basis point on daily net assets for investor's education and awareness initiatives.

- 3) The fund shall update the current expense ratios on the website (www.tatamutualfund.com) at least three working days prior to the effective date of the change. The exact web link for TER is <https://www.tatamutualfund.com/expense-ratio> as well as disclosure to be made on the website of AMFI in downloadable spreadsheet format.

**Note:**

In case the scheme invests in foreign mutual funds, the fees and expenses charged by the Mutual Fund(s) in foreign countries along with the management fee and recurring expenses charged to the domestic mutual fund(s) shall not exceed the total limits on expenses as prescribed under Regulation 52. Where the scheme is investing only a part of the net assets in the foreign mutual fund(s), the same principle shall be applicable for that part of investment.

INVESTMENT STRATEGY AND PRODUCT DIFFERENTIATION OF THE SCHEMES				
Scheme Name	Asset Allocation Pattern	Primary Investment Focus	AUM as on 30 <sup>th</sup> April'2020 (Rs. Crore)	No. of Folios as on 30 <sup>th</sup> April '2020
<b>Tata Retirement Savings Fund</b>	Progressive Plan: 80-100% in equity & equity related instruments. Debt & money market 0-15%, other securities: 0-10%. Moderate Plan: 65-85% in Equity & equity related instruments, 15-35% investments in Debt & related instruments & other securities 0-10% Conservative Plan: 0-30% in equity & equity related instruments. Debt & money market 70-100%, other securities: 0-10%.	The scheme is having three plans. 1) Progressive 2) Moderate 3) Conservative Plans. The objective of the Fund is to provide a financial planning tool for long term financial security for investors based on their retirement planning goals. <b>At present we do not have other similar scheme.</b>	Progressive-689.27 Moderate-1047.78 Conservative-133.22	Progressive-46241 Moderate-37784 Conservative-7,582
<b>Tata Young Citizens' Fund</b>	65%-85% in Equity and Equity related instruments of companies and 15%-35% in Debt & Money Market Instruments.	Primarily focus on equity / equity related instruments of listed as well as unlisted companies aiming to generate long term capital growth. Scheme is having a lock in for atleast 5 years or till the child attains age of majority (whichever is earlier) <b>At present we do not have other similar scheme.</b>	158.87	33401

## TAX TREATMENT

Certain tax benefits as described below are available, under present taxation laws to the Unitholders holding Units of Mutual Fund Scheme as an investment. The information set out below is included for general information purposes only and does not constitute legal or tax advice. In view of the individual nature of the tax consequences, **each investor is advised to consult his or her own tax consultant with respect to specific tax implications arising out of their participation in the Fund.** Income Tax benefits to the mutual fund and to the unitholder is in accordance with the prevailing tax law as certified by the mutual funds tax consultant.

**Structure of the fund** – As per the provisions\* of Income Tax Act, 1961, 'Tata Retirement Savings Fund- Progressive Plan' & 'Tata Retirement Savings Fund- Moderate Plan' shall be treated as equity oriented schemes and 'Tata Retirement Savings Fund- Conservative Plan' shall be treated as a non-equity oriented scheme.

\*As per the Explanation to Section 115T of Income Tax Act 1961, an equity oriented fund is defined as a fund whose investible funds are invested in equity shares of domestic companies to the extent of more than 65% of the total proceeds of such fund. The percentage of equity share holding of the fund shall be computed with reference to the annual average of the monthly average of the opening and closing figures.

**Tax Implication:**

### (A) For Progressive Plan & Moderate Plan (equity oriented schemes)

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

Type of Investor	Withholding tax rate
Resident	10%*
NRI	20%**

\* Tax not deductible if dividend income in respect of units of a mutual fund is below Rs. 5,000 in a financial year. However, TDS rates has been reduced to 7.5% for the period between May 14, 2020 to March 31, 2020.

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

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

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

### Capital Gains Taxation

	Resident Investors/ NRI's \$	Domestic Company @
Rate of Tax		
Tax on Capital Gains (Payable by the Investors)		
<b>Capital Gains:</b>		
Long Term	10%*	10%*
Short Term	15%	15%

\*As per Finance Act, 2018, levy of income tax at the rate of 10% (without indexation benefit) on long term capital gains exceeding Rs.1 lakh provided transfer of such units is subject to Securities Transaction Tax (STT).

Surcharge to be levied at:

- 37% on base tax where specified income exceeds Rs. 5 crore;
- 25% where specified income exceeds Rs. 2 crore but does not exceed Rs. 5 crore;

- 15% where total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore; and
- 10% where total income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore.

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

@ Surcharge at 7% on base tax is applicable where total income of domestic corporate unit holders exceeds Rs 1 crore but does not exceed 10 crores and at 12% where total income exceeds 10 crores. However, surcharge at flat rate of 10 percent to be levied on base tax for the companies opting for lower rate of tax of 22%/15%. Further, "Health and Education Cess" to be levied at the rate of 4% on aggregate of base tax and surcharge.

In case of NRI investors, short term /long term capital gain tax (along with applicable surcharge and Health and Education Cess will be deducted at the time of redemption of units as per Income Tax Act.

#### Securities Transaction Tax

Securities Transaction Tax ("STT") is applicable on transactions of purchase or sale of units of an equity oriented fund entered into on a recognized stock exchange or on sale of units of equity oriented fund to the Fund. The STT rates as applicable are given in the following table:

Taxable securities transaction	Payable by	Rate (as a % of value of the transaction)
Purchase/ Sale of an equity share in a company where a) the transaction of such purchase is entered into in a recognized stock exchange; and b) the contract for the purchase of such share is settled by the actual delivery or transfer of such share	Purchaser/ Seller	0.1%
Purchase of a unit of an equity oriented fund, where a) the transaction of such purchase is entered into in a recognized stock exchange; and b) the contract for the purchase of such unit is settled by the actual delivery or transfer of such unit	Purchaser	NIL
Sale of a unit of an equity oriented fund, where a) the transaction of such sale is entered into in a recognized stock exchange; and b) the contract for the sale of such unit is settled by the actual delivery or transfer of such unit	Seller	0.001%
Sale of an equity share in a company or a unit of an equity oriented funds on non-delivery basis	Seller	0.025%
Sale of option in securities	Seller	0.05%
Sale of an option securities, where option is exercised	Purchaser	0.125%
Sale in a future in securities	Seller	0.01%
Sale of unit of an equity oriented fund to the Mutual Fund itself	Seller	0.001%

The Fund is responsible for collecting the STT from every person who sells the Unit to it at the rate mentioned above. The STT collected by the Fund during any month will have to be deposited with the Central Government by the seventh day of the month immediately following the said month.

#### (B) For Conservative Plan (non-equity oriented scheme)

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

Type of Investor	Withholding tax rate
Resident	10%*
NRI	20%**

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

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

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

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

Tax on Capital Gains ( Payable by the Investors)			
	Rate of Capital Gain Tax		
	Individual/ HUF \$	Domestic Company @	NRI \$
Short Term Capital Gain ( Units held for 36 months or less)	As per relevant Slab of Total Income chargeable to Tax	30% / 25%^ / 22%^ / 15%^	30%^
Long Term Capital Gain (Units held for more than 36 months)			
After Providing Indexation	20%	20%	Listed - 20% Unlisted - 10%**

\$Surcharge to be levied at:

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

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

@ Surcharge at 7% on base tax is applicable where total income of domestic corporate unit holders exceeds Rs 1 crore but does not exceed 10 crores and at 12% where total income exceeds 10 crores. However, surcharge at flat rate of 10 percent to be levied on base tax for the companies opting for lower rate of tax of 22%/15%. Further, "Health and Education Cess" to be levied at the rate of 4% on aggregate of base tax and surcharge.

\*\* Without indexation.

^ Assuming the investor falls into highest tax bracket.

^^ If total turnover or gross receipts in the financial year 2018-19 does not exceed Rs. 400 crores.

^^^ This lower rate is optional and subject to fulfillment of certain conditions as provided in section 115BAA.

^^^^ This lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfillment of certain conditions as provided in section 115BAB.

Further, the domestic companies are subject to minimum alternate tax (except for those who opt for lower rate of tax of 22%/15%) not specified in above tax rates.

Short term/ long term capital gain tax (along with applicable Surcharge and Health and Education Cess) will be deducted at the time of redemption of units in case of NRI investors.

**The information stated above is based on Tata Mutual Fund understanding of the tax laws and only for the purpose of providing general information to the unit holders of the schemes. In view of the individual nature of tax implications, each unit holder is advised to consult with his or her own tax advisors with respect to the specific tax and other implications arising out of the restructuring.**

If any tax liability arising post redemption on account of change in tax treatment with respect to Dividend Distribution Tax/Capital Gain Tax, by the tax authorities, shall be solely borne by the investors and not by the AMC or Trustee Company.

**For further details on taxation please refer the clause on taxation in SAI.**

#### DAILY NET ASSET VALUE (NAV) PUBLICATION

The NAVs will be calculated and disclosed on every Business Day. The AMC will prominently disclose the NAVs under a separate head on the website of the Fund (www.tatamutualfund.com) and of the Association of Mutual Funds in India-AMFI (www.amfiindia.com) by 11 p.m on every Business Day.

Investor may write to AMC for availing facility of receiving the latest NAVs through SMS.

#### Illustration of Calculation of Sale & Repurchase Price:

Assumed NAV Rs. 11.00 per unit

Entry Load: NIL

Exit Load 1%

Sale Price = NAV + (Entry Load (%) \* NAV)

Sale Price = 11 + (0% \* 11)

Sale Price = 11 + 0

Sale Price = Rs. 11/-

Repurchase Price

Repurchase Price = NAV - (exit load (%) \* NAV)

Repurchase Price =  $11 - (1\% \times 11)$

Repurchase Price =  $11 - 0.11$

Repurchase Price = Rs.10.89

In the event NAV cannot be calculated and / or published, such as because of the suspension of RBI Clearing, Bank strikes, during the existence of a state of emergency and / or a breakdown in communications, the Trustees may temporarily suspend determination and / or publication of the NAV of the Units.

The repurchase price will be in accordance with Regulation 49(3) of the Securities Exchange Board of India (Mutual Funds) Regulations, 1996, shall not be lower than 93% of the NAV and the sale price shall not be higher than 107% of the NAV and the difference between the repurchase price and sale price shall not exceed 7% on the sale price.

#### **CREATION OF SEGREGATED PORTFOLIO (Applicable for Moderate and Conservative Plan)**

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

- 1) Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
  - a) Downgrade of a debt or money market instrument to 'below investment grade', or
  - b) Subsequent downgrades of the said instruments from 'below investment grade', or
  - c) Similar such downgrades of a loan rating
- 2) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as mentioned above and implemented at the ISIN level.
- 3) Creation of segregated portfolio is optional and is at the discretion of the Tata Asset Management Ltd (AMC).

#### **Process for Creation of Segregated Portfolio**

- 1) On the date of credit event, AMC should decide on creation of segregated portfolio. Once AMC decides to segregate portfolio, it should :
  - a) seek approval of trustees prior to creation of the segregated portfolio.
  - b) 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.
  - c) 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.
- 2) Once Trustee approval is received by the AMC:
  - a) Segregated portfolio will be effective from the day of credit event
  - b) AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information will also be submitted to SEBI.
  - c) An e-mail or SMS will be sent to all unit holders of the concerned scheme.
  - d) The NAV of both segregated and main portfolios will be disclosed from the day of the credit event.
  - e) 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.
  - f) 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.
  - g) AMC 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
  - h) 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.
- 3) If the trustees do not approve the proposal to segregate portfolio, AMC will issue a press release immediately informing investors of the same.
- 4) 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:

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

#### **Disclosure**

AMC 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.

In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:

- The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
- Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
- An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio shall be placed in every Trustee meeting till the investments are fully recovered/written-off.
- 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 shall ensure to have a mechanism in place to negatively impact the performance of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio. The new mechanism shall mirror the existing mechanism for performance incentives of the AMC, including the claw back of such amount to the segregated portfolio of the Scheme.

#### **TER for the Segregated Portfolio**

- 1) AMC 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.
- 2) 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.
- 3) The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
- 4) The costs related to segregated portfolio shall in no case be charged to the main portfolio.

#### **Explanations:**

- 1) 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.

- 2) The term 'main portfolio' means the scheme portfolio excluding the segregated portfolio.
- 3) The term 'total portfolio' means the scheme portfolio including the securities affected by the credit event.

#### Illustration of Segregated Portfolio

Portfolio Date	31-Mar-19
Downgrade Event Date	31-Mar-19
Downgrade Security	7.65% C Ltd from AA+ to B
Valuation Marked Down	25%

Mr. X is holding 1,000 Units of the Scheme, amounting to Rs.15,057.30 (1000\*15.0573)

#### Portfolio Before Downgrade Event

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	32,00,000	102.812	3289.98	21.850
7.70 % B LTD	CRISIL AAA	NCD	32,30,000	98.5139	3182.00	21.133
7.65 % C Ltd	CRISIL B*	NCD	32,00,000	73.843	2362.97	15.693
D Ltd (15/May/2019)	ICRA A1+	CP	32,00,000	98.3641	3147.65	20.904
7.65 % E LTD	CRISIL AA	NCD	30,00,000	98.6757	2960.27	19.660
Cash / Cash Equivalents					114.47	0.760
Net Asset Value					15,057.34	
Unit Capital (No. of Units)					1,000	
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 31st March 2019

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	32,00,000	102.812	3289.98	21.850
7.70 % B LTD	CRISIL AAA	NCD	32,30,000	98.5139	3182.00	21.133
D Ltd (15/May/2019)	ICRA A1+	CP	32,00,000	98.3641	3147.65	20.904
7.65 % E LTD	CRISIL AA	NCD	30,00,000	98.6757	2960.27	19.660
Cash / Cash Equivalents					114.47	0.760
Net Asset Value					12694.37	
Unit Capital (No. of Units)					1,000	
NAV (Rs.)					12.6944	

#### Segregated Portfolio as on 31st March 2019

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.65 % C Ltd	CRISIL B*	NCD	32,00,000	73.843	2362.97	15.693
Net Asset Value					2362.97	
Unit Capital (no of Units)					1,000	
NAV (Rs.)					2.3630	

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

Particulars	Segregated Portfolio	Main Portfolio	Total Value
No. of Units	1,000	1,000	
NAV (Rs.)	2.3630	12.6944	
Total value of Investment (in Rs.)	2362.97	12694.33	15057.30

#### FOR INVESTOR GRIEVANCES PLEASE CONTACT

**Registrar: Computer Age Management Services Pvt. Ltd.,** No. 178/10, Kodambakkam High Road, Opp. Hotel Palmgrove, Nungambakkam, Chennai 600 034. G Sathyanarayanan / Venkatesh Pai Tel. No. 044 - 3911 5563, 3911 5565, 3911 5567 Fax 28283 613 camslb1@camsonline.com

**AMC Office:** Ms. Kashmira Kalwachwala, 1903/B,19th Floor, Parinee Crescenzo, G Block, BKC. Opposite MCA Club Bandra East, Mumbai-400051. Contact No: 022-62827777 (Monday to Saturday- 9.00 am to 5.30 pm) Email: service@tataamc.com

#### UNITHOLDERS' INFORMATION

**Account Statement:** On acceptance of application for financial transaction, a confirmation specifying the number of Units allotted/redeemed will be sent by way of e-mail and/or SMS to the applicant's registered e-mail address and/or mobile number within five business days from the date of transaction.

Tata Mutual Fund shall send first account statement for a new folio separately with all details registered in the folio by way of an e-mail/and/or SMS to the investor's registered address/email address/registered mobile number not later than five business days from the date of subscription or by way of physical statement not later than five business days from the date of receipt of request from the unitholder.

In compliance with the Circular No. CIR/MRD/DP/31/2014 dated November 12, 2014, Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016 read with SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20,2016, Tata Mutual Fund will send the Consolidated Account Statement (CAS) to investors as follows:

- A single Consolidated Account Statement (CAS) on basis of PAN (PAN of the first holder & pattern of holding, in case of multiple holding) will be dispatched to unitholders having Mutual Fund investments & holding Demat accounts by Depositories within ten days from the end of the month in which transaction (the word 'transaction' shall include all financial transactions in demat accounts/Mutual Fund folios of the investor) takes place.
- The CAS will not be received by the investors for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. Such investors will get monthly account statement from Tata Mutual Fund in respect of transactions carried out in the schemes of Tata Mutual Fund during the month.
- In other cases i.e. where unitholders having no Demat account & only MF units holding, Tata Mutual Fund shall continue to send the CAS as is being send presently within ten days from the end of the month in which financial transaction takes place.
- In case statements are presently being dispatched by e-mail either by the Fund or the Depository then CAS will be sent through email. However the Unitholders have an option to receive CAS in physical form at the address registered in the Depository system.
- The dispatch of CAS by Depositories to Unitholders would constitute compliance by Tata Asset Management Ltd/the Fund with the requirements under Regulation 36(4) of SEBI (Mutual Funds) Regulations 1996.
- Each CAS issued to the investors shall also provide the total purchase value/cost of investment in each scheme.
- In case if no transaction has taken place in a folio during the period of six months ended September 30 and March 31, the CAS detailing the holdings across all schemes of all mutual funds, shall be emailed on half yearly basis, on or before the tenth day of succeeding month, unless a specific request is made to receive the same in physical form.
- Half-yearly CAS shall be issued to all Mutual Fund investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. Further, CAS issued for the half-year(September/March) shall also provide:
  - The amount of actual commission paid by Tata AMC/Mutual Fund to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each mutual fund scheme. The term "commission" here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by Tata AMC/MF to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as service tax (wherever applicable, as per existing rates), operating expenses, etc.
  - The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

**Official Points of Acceptance of Transaction through MF utility:** Tata Mutual Fund has entered into an agreement 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, for usage of MF Utility ("MFU") - a shared services initiative of various asset management

companies, which acts as a transaction aggregator for transacting in multiple schemes of various mutual funds with a single form and a single payment instrument. Accordingly, all the authorized Point of Sales(POS) and website/mobile application of MFUI (available currently and also updated from time to time) shall be eligible to be considered as 'official points of acceptance' for all financial and non-financial transactions in the schemes of Tata Mutual Fund either physically or electronically. The list of POS of MFUI is published on the website of MFUI at [www.mfuiindia.com](http://www.mfuiindia.com).

Applicability of NAV shall be based on time stamping as evidenced by confirmation slip given by POS of MFUI and also the realization of funds in the Bank account of Tata Mutual Fund (and NOT the time of realization of funds in the Bank account of MFUI) within the applicable cut-off timing. The Uniform Cut -off time as prescribed by SEBI and mentioned in the SID / KIM shall be applicable for applications received through such facilities.

Investors are requested to note that MFUI will allot a Common Account Number ("CAN") i.e. a single reference number for all investments in the mutual fund industry for transacting in multiple schemes of various mutual funds through MFUI and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form and necessary documents at the POS. The AMC and/or its Registrar and Transfer Agent shall provide necessary details to MFUI as may be needed for providing the required services to investors/distributors through MFUI. Investors are requested to visit the website of MFUI i.e. [www.mfuiindia.com](http://www.mfuiindia.com) to download the relevant forms.

For any queries or clarifications related to MFUI, please 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@mfuiindia.com](mailto:clientservices@mfuiindia.com).

Pursuant to Association of Mutual Funds in India (AMFI) Best Practices Guidelines Circular No. 48/2014-15 dated June 24, 2014 on the process for dealing with applications where the scheme name in the Application Form / Transaction Slip & payment instrument differs has been standardized.

In case of fresh/additional purchases, if the name of a particular Scheme on the application form/transaction slip differs from the name of the scheme on the Payment instrument, the application will be processed & units allotted at applicable NAV of the scheme mentioned in the application form / transaction slip duly signed by investor(s).

Tata Asset Management Ltd. (AMC) reserves the right to call for other additional documents as may be required, for processing such transactions. The AMC also reserves the right to reject such transactions.

The AMC thereafter shall not be responsible for any loss suffered by the investor due to the discrepancy in the scheme name mentioned in the application form/transaction slip and payment instrument.

**Transaction Charge:** Pursuant to SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, transaction charge per subscription of Rs.10,000/- and above be allowed to be paid to the distributors of the Tata Mutual Fund products. The transaction charge shall be subject to the following: 1. There shall be no transaction charges on direct investments. 2. For existing investors in a Mutual Fund, the distributor may be paid Rs.100/- as transaction charge per subscription of Rs.10,000/- and above. 3. For first time investor in Mutual Funds, the distributor may be paid Rs.150/- as transaction charge for subscription of Rs.10,000/- and above. 4. The transaction charge shall be deducted by the AMC from the subscription amount and paid to the distributor and the balance amount shall be invested. 5. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment. 6. There shall be no transaction charge on subscription below Rs. 10,000/-. 7. In case of Systematic Investment Plan(s), the transaction charge shall be applicable only if the total commitment through SIPs amounts to Rs. 10,000/- and above. In such cases the transaction charge shall be recovered in first 3/4 successful installments. 8. There shall be no transaction charge on transactions other than purchases/ subscriptions relating to fresh/additional purchase.

The transaction charges would be deducted only in respect of those transactions where the concern distributor has opted for opt in for levying transaction charge. In case distributor has chosen 'Opt Out' of charging the transaction charge, no transaction charge would be deducted from transactions registered. It may further be noted that distributors shall also have the option to either opt in or opt out of levying transaction charge based on type of the product.

Goods and Service tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme.

SEBI Circular dated Sept 13, 2012 has directed mutual funds to capture the unique identity number(EUIN) of the employee/sales person of the distributor interacting with the investor for the sale of mutual funds products in addition to the valid AMFI registration number(ARN) code of the distributor, ARN code of the sub broker. In the interest of the investors it is urged to ensure

that the box/space provided for EUIN number, ARN code for distributor and ARN code of the sub broker in the application form to be properly filled up. It is out-most important to provide the EUIN number particularly in advisory transactions, which will assist in tackling the problem of mis-selling even if the employee/relationship manager/sales person on whose advice the transaction was executed leaves the employment of the distributor or his/her sub broker.

The Fund will disclose details of the investor's account and all his transactions to the intermediaries whose stamp appears on the application form. In addition, the fund will disclose details as necessary, to the Fund's and investor's bankers, for the purpose of effecting payments to the investor. Further, investors' may also be disclosed to Government Authorities such as income tax authorities, SEBI, etc.

The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&T.

**Portfolio Disclosure:** Tata Mutual Fund will disclose portfolio (along with ISIN) in user friendly & downloadable spreadsheet format, as on the last day of the month/half year for all their schemes on its website [www.tatamutualfund.com](http://www.tatamutualfund.com) & on the website of AMFI [www.amfiindia.com](http://www.amfiindia.com) within 10 days from the close of each month/half year. In case of unitholders whose email addresses are registered, Tata Mutual Fund will send via email both the monthly & half yearly statement of scheme portfolio within 10 days from the close of each month/half year respectively.

Tata Mutual Fund will publish an advertisement every half-year, in the all India edition of at least two daily newspapers, one each in English & Hindi, disclosing the hosting of the half yearly statement of the schemes portfolio on the AMC's website [www.tatamutualfund.com](http://www.tatamutualfund.com) & on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)). Tata Mutual Fund will provide physical copy of the statement of scheme portfolio without any cost, on specific request received from a unitholder.

**Unaudited Financial Results:** Tata Mutual Fund/ Tata Asset Management Ltd shall within one month from the close of each half year, that is on 31st March & on 30th September, host a soft copy of its unaudited financial results on its website.

Tata Mutual Fund / Tata Asset Management Ltd shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation & in a newspaper having wide circulation published in the language of the region where the Head Office of the fund is situated in the format specified in Twelfth Schedule of SEBI (Mutual Funds) Regulations 1996.

**Annual Report:** Annual report or Abridged Summary, in the format prescribed by SEBI, will be hosted on AMC's website [www.tatamutualfund.com](http://www.tatamutualfund.com) and on the website of AMFI [www.amfiindia.com](http://www.amfiindia.com). The scheme wise annual report or an abridged summary thereof, in the format prescribed, shall be sent by way of e-mail to the investor's registered e-mail address not later than four months from the date of closure of the relevant accounts year.

Investors who have not registered their email id, will have an option of receiving a physical copy of the Annual Report or Abridged Summary thereof. Tata Mutual Fund will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unitholder. Physical copies of the report will also be available to the unitholders at the registered offices at all times. Tata Mutual Fund will publish an advertisement every year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the AMC website ([www.tatamutualfund.com](http://www.tatamutualfund.com)) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)).

The timelines for filing scheme annual reports for the year 2019-20 is extended by one month i.e. till August 31, 2020.

#### Eligibility for application

The following persons (subject, wherever relevant to, Sale of Units being permitted under their respective constitutions and relevant State Regulations) are eligible to apply for the purchase of the Units:

- Adult individuals, either singly or more than one (not exceeding three) on first holder basis or jointly on either or survivor/any one basis.
- Parents, or other lawful Guardians on behalf of Minors.
- Companies, corporate bodies, public sector undertakings, trusts, wakf boards or endowments, funds, institutions, associations of persons or bodies of individuals and societies (including co-operative societies) registered under the Societies Registration Act, 1860 (so long as the Purchase of Units is permitted under their respective constitutions).
- Mutual Funds (including any Scheme managed by AMC or any Scheme of any other Mutual Fund); (in accordance with Regulation 44(1) read with Clause 4 of Schedule VII, of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996).
- Asset Management Companies (in accordance with Regulation 25(17) of the Securities and Exchange Board of India (Mutual Funds) Regulations,

1996) including a Fund of Fund schemes.

- Partnership firms, in the name of the partners.
- Hindu Undivided families (HUF) in the sole name of the Karta.
- Financial and Investment Institutions / Banks.
- Army/Navy/Air Force, para military Units & other eligible institutions.
- Religious and Charitable Trusts provided these are allowed to invest as per statute and their by-laws.
- Scientific and Industrial Research organisations (so long as the Purchase of Units is permitted under their respective constitutions)
- Provident / Pension (Gratuity/ Superannuation & such other retirement & employee benefit & other similar funds (so long as the Purchase of Units is permitted under their respective constitutions.)
- Non-resident Indians/ persons of Indian origin residing abroad (NRIs) on a full repatriation basis or on non-repatriation basis.
- Foreign Portfolio Investor (FPI) as defined under Regulation 2 (1)(h) Securities Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, subject to SEBI/RBI eligibility criteria.
- Overseas Financial Organisations which have entered into an arrangement for investment in India, inter-alia, with a Mutual Fund registered with SEBI and which arrangement is approved by the Central Government.
- International Multilateral Agencies approved by the Government of India.

#### **Compliance under Foreign Account Tax Compliance Act (FATCA) regulations:**

United States of America (US) has introduced chapter no. 4 in the US Internal Revenue Code as a part of the Hiring Incentives to Restore Employment (HIRE) Act, which was enacted by the US legislature to create employment opportunities in US. The HIRE Act includes Foreign Account Tax Compliance Act (FATCA), which now forms a part of the US-IR Code. The regulations for FATCA have undergone revision since 2010 and the final regulations make the FATCA provisions effective from July 1, 2014.

The objective of FATCA is to detect "US Persons", who evade US taxes by using financial account maintained outside US. The US persons are defined as those who have either US citizenship or US residency. The FATCA stipulates reporting on -

- i. US taxpayers about certain foreign financial accounts and offshore assets.
- ii. Foreign Financial Institutions (FFIs) about financial accounts with them of US taxpayers or foreign entities in which US taxpayers hold substantial ownership interest.

FFIs (including mutual funds in India) are required to periodically report information on accounts of US persons, who maintain balances above a threshold. In the event of a default in the reporting of information on accounts of US taxpayers, a withholding of 30% of the payment made from US sources will be imposed on the recalcitrant account holders and non-participating Financial Institutions. SEBI vide its circular no. CIR/MIRSD/2/2014 dated June 30, 2014, has advised that Government of India and US Government have reached an agreement in substance on the terms of an Inter-Governmental Agreement (IGA) to implement FATCA and India is now treated as having an IGA in effect from April 11, 2014. Tata Asset Management Limited (TAML) is classified as a Foreign Financial Institution (FFI) under the FATCA provisions and in accordance therewith, the AMC would be required to comply with the rules & regulations of FATCA, from time to time.

In order to ensure compliance with FATCA and other rules / directions / notifications as may be issued by Government of India or other regulatory authority, Mutual Funds are required to institute a process to identify US Person investors and report the same.

Applicants are required to refer to the "FATCA information" section in the application and mandatorily fill/sign off on the same. Applications without this information / declaration being filled/signed off will be deemed as incomplete and are liable to be rejected. Investors are requested to provide information required by the regulatory authority and may undergo changes on receipt of communication / guidelines from Government of India or AMFI or SEBI or any other regulatory authority.

With the change in guidelines, investors may be called for additional information required by the law. Investors are requested to keep Mutual Fund updated with change in information already submitted by them with Mutual Fund.

#### **Common Reporting Standard (CRS)**

On similar lines of FATCA, the Organization of Economic Development (OECD), along with the G 20 countries, of which India is a member, has released a 'Standard for Automatic Exchange of Financial Account Information in Tax matters'. In order to combat the problem of offshore tax evasion

and avoidance and stashing of unaccounted money abroad, the G 20 & OECD

countries have together developed a common reporting standard(CRS) on automatic exchange of information(AEOI).On June 3,2015 India has joined the Multilateral Competent Authority Agreement(MCAA) on AEOI. The CRS on AEOI requires the financial institutions of the 'source' jurisdiction to collect and report information to their tax authorities about account holders 'resident' in other countries. The information to be exchanged relates not only to individuals, but also to shell companies and trusts having beneficial ownership or interest in the 'resident' countries.

In view of India's commitment to implement the CRS on AEOI and also the IGA with USA and with a view to provide information to other countries necessary legislative changes has already been made in Finance Act & by inserting Rules 114F to 114H and Form 61B to provide a legal basis for the Reporting Financial Institutions (RFIs) for maintaining and reporting information about the reportable accounts.

Applicants are required to refer to the "FATCA/CRS information" section in the application and mandatorily fill/sign off on the same. Applications without this information / declaration being filled/signed off will be deemed as incomplete and are liable to be rejected. Investors are requested to note that the contents of the information to be provided/ declaration in the application form may undergo a change on receipt of communication / guidelines from Government of India or AMFI or SEBI or any other regulatory authority.

With the change in guidelines, investors may be called for additional information required by the law. Investors are requested to keep Mutual Fund updated with change in information already submitted by them with Mutual Fund. FATCA provisions are relevant not only at on-boarding stage of investor(s)/unit holder(s) but also throughout the life cycle of investment with the Fund/the AMC. In view of this, Investors should immediately intimate to the Fund/the AMC, in case of any change in their status with respect to FATCA/ CRS related declaration provided by them previously.

Investors(s)/Unit holder(s) should consult their own tax advisors to understand the implications of FATCA/CRS provisions /requirements.

**Applicants who cannot Invest:** • A person who falls within the definition of the term "U.S. Person" under the US Securities Act of 1933, and corporations or other entities organised under the laws of the U.S. • A person who is resident of Canada • OCB (Overseas Corporate Bodies) as defined under Income Tax Act, 1961 and under Foreign Exchange Management Act, 1999.

The Fund reserves the right to include / exclude new / existing categories of investors to invest in the scheme from time to time, subject to SEBI Regulations and other than prevailing statutory regulations, if any.

#### **How to apply:**

**KYC Procedure:** SEBI vide Circular no. CIR/MIRSD/66/2016 dated July 21, 2016 and circular no. CIR/MIRSD/120/2016 dated November 10, 2016 has intimated about the operationalization of Central KYC Records Registry ("CKYCR").

AMFI vide Best Practice Guideline circular no. 135/BP/68/2016-17 dated December 22, 2016 has prescribed guidelines including Central KYC ("CKYC") forms for implementing the CKYC norms.

In this regard, any individual customer who has not done KYC under the KYC Registration Agency (KRA) regime shall fill the new CKYC form. If such new customer uses the old KRA KYC form, such customer would either fill the new CKYC or provide additional / missing information in the Supplementary CKYC form.

Non-Individual Investors to use the existing KYC forms for KYC process.

Application forms complete in all respects, accompanied by or cheque / draft are to be submitted to any of the Authorised Investor Service Centres, as stated in the scheme information document or as may be decided by AMC from time to time. All cheques and bank drafts accompanying the application form should contain the application form number and the name of the applicant on its reverse. For additional instructions, investors are requested to follow the application form carefully. **All cheques/ drafts by the applicants should be made out in favour of "The name of the scheme" and crossed "A/c Payee and Not Negotiable".**

Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" against the scheme name in the application form e.g. "**Scheme Name - Direct Plan**". Investors should also indicate "Direct" in the ARN column of the application form.

**For Existing Investments:** Investors wishing to transfer their accumulated unit balance held under Existing Plan (through lumpsum / systematic investments made with or without Distributor code) to Direct Plan will have to switch / redeem their investments (subject to applicable Exit Load, if any) & apply under Direct Plan.

Investors who have invested without Distributor code & have opted for Dividend Reinvestment facility under Existing Plan may note that the dividend will continue to be reinvested in the Existing Plan only.

Application form (duly completed), along with a cheque (drawn on Chennai) / DD (payable at Chennai) may also be sent by Mail directly to the Registrar viz. Computer Age Management Services (Private) Limited, Unit : Tata Mutual Fund, No. 178/10, Kodambakkam High Road, Opp. Hotel Palmgrove, Nungambakkam, Chennai 600 034.

**If there is no Authorised Investor Service Centres where the investor resides, he/she may purchase a Demand Draft from any other Bank in favour of "The name of the scheme" and crossed "A/c Payee and Not Negotiable" respectively payable at Chennai, after deducting bank charges / commission (not exceeding charges prescribed by State Bank of India) from the amount of investment.** If such bank charges / commission are not deducted by the applicant, then the same may not be reimbursed. However in case of application along with local Cheque or Bank Draft payable at Mumbai, at / from locations where TMF has its designated Authorised Investor Service Centres, Bank Draft charges/ commission may have to be borne by the applicant. In such cases the Trustee Company is entitled, in its sole and absolute discretion, to reject or accept any application.

**Option to hold Units in dematerialized (demat) form:** W.e.f. 01 January, 2012 option to hold Units in dematerialized (demat) form is available for subscription by way of SIP, also in all schemes of Tata Mutual Fund (except for subscription in Plans / Options where dividend distribution frequency is less than one month). In case of SIP, units will be allotted based on the applicable NAV as per respective SID & will be credited to investors Demat Account on weekly basis on realisation of funds. Investors opting for allotment of units in demat form shall mention demat account details in the application form.

For restriction on acceptance of third party payments for subscription of units of schemes, kindly refer application / instruction form.

#### **Subscription by NRIs**

In terms of Schedule 5 of Notification no. FEMA 20/2000 dated May 3, 2000, RBI has granted general permission to NRIs to purchase, on a repatriation basis units of domestic mutual funds. Further, the general permission is also granted to NRIs to sell the units to the mutual funds for repurchase or for the payment of maturity proceeds, provided that the units have been purchased in accordance with the conditions set out in the aforesaid notification. For the purpose of this section, the term "mutual funds" is as referred to in Clause (23D) of Section 10 of Income-Tax Act 1961. However, NRI investors, if so desired, also have the option to make their investment on a non-repatriable basis.

#### **Subscription by FPI**

Foreign portfolio investor (FPI) means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of SEBI (Foreign Portfolio Investors) Regulations, 2014, provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid.

No person shall buy, sell or otherwise deal in securities as a foreign portfolio investor unless it has obtained a certificate granted by the designated depository participant on behalf of SEBI.

Under SEBI (Foreign Portfolio Investors) Regulations, 2014 FPI (FII/Sub Account of FII) are allowed to invest in Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; subject to compliance of the investment limits and terms and conditions as may be specified by SEBI/RBI.

#### **Mode of Payment on Repatriation basis**

##### **NRIs**

In case of NRIs and persons of Indian origin residing abroad, payment may be made by way of Indian Rupee drafts purchased abroad and payable at Mumbai or by way of cheques drawn on Non-Resident (External) (NRE) Accounts payable at par at Mumbai. Payments can also be made by means of rupee drafts payable at Mumbai and purchased out of funds held in NRE / FCNR Accounts.

In case Indian rupee drafts are purchased abroad or from Foreign Currency Accounts or Non-resident Rupee Accounts an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

##### **FPIs (which are deemed FPI)**

FPIs may pay their subscription amounts either by way of inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by the FPI with a designated branch of an authorized dealer with the approval of the RBI subject to the terms and conditions set out in the aforesaid notification.

#### **Mode of payment on Non-Repatriation basis**

In case of NRIs/Persons of Indian origin seeking to apply for Units on a non-repatriation basis, payments may be made by cheques/demand drafts drawn out of Non-Resident Ordinary (NRO) accounts/ Non-Resident Special Rupee (NRSR) accounts and Non Resident Non-Repatriable (NRNR) accounts payable at the city where the Application Form is accepted.

Refunds, interest and other distribution (if any) and maturity proceeds/ repurchase price and /or income earned (if any) will be payable in Indian Rupees only. The maturity proceeds/repurchase value of units issued on repatriation basis, income earned thereon, net of taxes may be credited to NRE/FCNR account (details of which should be furnished in the space provided for this purpose in the Application Form) of the non-resident investor or remitted to the non-resident investor. Such payments in Indian Rupees will be converted into US dollars or into any other currency, as may be permitted by the RBI, at the rate of exchange prevailing at the time of remittance and will be dispatched through Registered Post at the unitholders risk. The Fund will not be liable for any loss on account of exchange fluctuations, while converting the rupee amount in US dollar or any other currency. Credit of such proceeds to NRE/FCNR account or remittance thereof may be permitted by authorized dealer only on production of a certificate from the Fund that the investment was made out of inward remittance or from the Funds held in NRE/FCNR account of the investor maintained with an authorized dealer in India. However, there is no objection to credit of such proceeds to NRO/NRSR account of the investor if he so desires.

Subscription by Multilateral Funding Agencies, on full repatriation basis, is subject to approval by the Foreign Investment Promotion Board.

#### **Rejection of applications**

Applications not complete in any respect are liable to be rejected. The Trustee Company may reject any application not in accordance with the terms of the Scheme.

#### **Documents to be submitted**

##### **In the case of applications under Power of Attorney**

If any application or any request for transmission is signed by a person holding a valid Power of Attorney, the original Power of Attorney or a certified copy duly notarised should be submitted with the application or the transmission request, as the case may be, unless the Power of Attorney has already been registered with the Fund / Registrar.

In the case of applications by limited Company or a corporate body or an eligible institution or a registered society or a Trust or a Fund or a FII, etc.

In the case of applications by limited Company or a corporate body or an eligible institution or a registered society or a trust or a fund or a FII, a certified true copy of the Board resolution of the managing body authorising investments in Units including authority granted in favour of the officials signing the application for Units & their specimen signature etc. alongwith a certified copy of the Memorandum & Articles of Association & / or bye-laws & / or trust deed & / or partnership deed & Certificate of Registration should be submitted. The officials should sign the application under the official designation. In the case of a Trust/ Fund, it shall produce a resolution from the Trustee(s) authorising such purchases.

The above mentioned documents or duly certified copy thereof must be lodged separately at the office of the Registrar to the Offer, quoting the serial number of the application.

In case of non submission of the above mentioned documents, the Trustee Company is entitled, in its sole and absolute discretion, to reject or accept any application.

**Transactions through online facilities / electronic modes:** The time of transaction done through various online facilities / electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / sale / switch of units is received in the servers of AMC/RTA. In case of transactions through online facilities / electronic modes, the movement of funds from the investors' bank account to the Scheme's bank account may happen via the Intermediary / Aggregator service provider through a Nodal bank account and post reconciliation of fund. The process of movement of funds from the investors' bank account into the Scheme's Bank account in case of online transaction is governed by Reserve Bank of India(RBI)vide their circular Ref. RBI/2009-10/231 DPSS.CO.PD. No.1102/02.14.08/2009-10 dated 24th November, 2009. The process followed by the aggregator and the time lines within which the Funds are credited into the Scheme's bank account is within the time lines provided by RBI which is T+3 settlement cycle / business days, where T is the date of Transaction / day of intimation regarding completion of transaction. The nodal bank account as stated above is an internal account of the bank and such accounts are not maintained or operated by the intermediary / aggregator or by the Mutual Fund. While the movement of Funds out of the investors' Bank account may have happened on T day, however post reconciliation and as per statutory norms the allotment can happen only on availability of Funds for utilization by the AMC/MF and accordingly the transaction will processed as per the applicable NAV based on availability of funds for utilization. This lag may impact the applicability of NAV for transactions where NAV is to be applied, based on actual realization of funds by the Scheme. Under no circumstances will Tata Asset Management Limited or its bankers or its service providers be liable for any lag / delay in realization of funds and consequent pricing of units. The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth & efficient functioning of the Scheme(s).

## TRANSACTION THROUGH STOCK EXCHANGE PLATFORM

### Tata Mutual Fund has signed an agreement with BSE & NSE for allowing transactions in the Scheme through stock exchange platform.

The schemes covered in this KIM are admitted on the order routing platform of Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Under this facility investors can submit the application for subscription and redemption of units of the scheme through the Stock Exchange platform. The introduction of this facility is pursuant to guidelines issued by SEBI vide circular SEBI/IMD/CIR No.11/183204/2209 dated November 13, 2009 and the Stock Exchanges viz. BSE & NSE.

#### The following are the salient features of the new facility introduced for the benefit of investors:

1) This facility i.e. purchases (Lumpsum & SIP)/redemption of units will be available to both existing & new investors. Switching of units will not be permitted through stock exchange platform. 2) The investors will be eligible to purchase /redeem units of the aforesaid schemes. The list of eligible schemes is subject to change from time to time. 3) All trading members of BSE & NSE who are registered with AMFI as Mutual Fund Advisors & who have signed up with Tata Asset Management Ltd & also registered with BSE & NSE as Participants ("AMFI certified stock exchange brokers") will be eligible to offer this facility to investors. In order to facilitate transactions in mutual fund units through the stock exchange infrastructure, BSE has introduced BSE StAR MF Platform & NSE has introduced Mutual Fund Service System (MFSS). 4) The units of eligible Schemes are not listed on BSE & NSE & the same cannot be traded on the Stock Exchange like shares. The window for submission of application for purchase/redemption of units on BSE & NSE will be available between 9 a.m. & 3 p.m. or such other timings as may be decided by the Stock Exchanges. 5) The eligible AMFI certified stock exchange brokers will be considered as Official Points of Acceptance (OPA) of Tata Mutual Fund as per SEBI circular No. SEBI/IMD/CIR No/11/78450/06 dated October 11, 2006. 6) Investors have an option to subscribe/redeem units in physical or dematerialized form on BSE StAR & NSE MFSS MF system. In case of redemption request received through MFSS/BSE StAR/DP residual units will continue to remain in the Registrar & Transfer Agents records & the residual units will be redeemed only after investor request to redeem. 7) The facility to purchase through SIP is available in demat form on both BSE StAR & NSE MFSS platform. 8) As clarified by SEBI vide its circular no.CIR/IMD/DF/10/2010 dated August 18, 2010, restriction on transfer of units shall not be applicable to units held in dematerialized mode & thus the units are freely transferable. However the restrictions on transfer of units of ELSS schemes during the lock in period shall continue to be applicable as per the ELSS guidelines. 9) Investors will be able to purchase/redeem units in eligible schemes in the following manner:

#### (i.) Purchase of Units:

##### a. Physical Form (Available on NSE MFSS & BSE StAR MF)

The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application (subject to applicable limits prescribed by BSE / NSE) to the AMFI certified stock exchange brokers. The AMFI certified stock exchange broker shall verify the application for mandatory details & KYC compliance. After completion of the verification, the purchase order will be entered in the Stock Exchange system & an order confirmation slip will be issued to investor. The investor will transfer the funds to the AMFI certified stock exchange brokers. Allotment details will be provided by the AMFI certified stock exchange brokers to the investor.

##### b. Dematerialized Form (Available on NSE MFSS & BSE StAR MF)

The investors who intend to deal in depository mode are required to have a demat account with Central Depository Services (India) Ltd ("CDSL") / National Securities Depository Ltd. ("NSDL"). The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers. The investor should provide their depository account details to the AMFI certified stock exchange brokers. The purchase order will be entered in the Stock Exchange system & an order confirmation slip

will be issued to investor. The investor will transfer the funds to the AMFI certified stock exchange brokers.

#### (ii.) Redemption of Units:

##### a. Physical Form (Available on BSE StAR & NSE MFSS Platform)

The investor who chooses the physical mode is required to submit all requisite documents along with the redemption application (subject to applicable limits prescribed by BSE / NSE, if any) to the AMFI certified stock exchange brokers. There is no maximum cap on redemption request. The redemption order will be entered in the Stock Exchange system & an order confirmation slip will be issued to investor. In case of redemption request received through MFSS/BSE StAR/DP residual units will continue to remain in the Registrar & Transfer Agents records & the residual units will be redeemed only after investor request to redeem. The redemption proceeds will be credited to the bank account of the investor, as per the bank account mandate recorded with Tata Mutual Fund & within the timelines as per SEBI regulations as applicable from time to time or it will be sent to the investor in the mode selected by the investor. Redemption request may also be submitted to any of the Investor service centers. In case investors desire to convert the physical units into dematerialized form, the dematerialized request will have to be submitted with the Registrar.

##### b. Dematerialized Form (Available on NSE MFSS & BSE StAR MF)

The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL & units converted from physical mode to demat mode prior to placing of redemption order. The investor who chooses the depository mode is required to place an order for redemption (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers. The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account. The redemption order will be entered in the system & an order confirmation slip will be issued to investor. Presently no limit is applicable for the redemption of units. In respect of investors having demat account & purchasing & redeeming units through stock brokers & clearing members, investors shall receive redemption amount (If units are redeemed) & units (if units are purchased) through broker/clearing member's pool account. The Asset Management Company/ Mutual Fund will pay proceeds to the broker/clearing member (in case of redemption) & broker/clearing member in turn to the respective investor & similarly units shall be credited by MF/AMC into broker/clearing members' pool account (in case of purchase) & broker/clearing member in turn to the respective investor. It is to be noted that payment of redemption proceeds to the broker/clearing members by MF/AMC shall discharge MF/AMC of its obligation of payment to individual investor & in case of purchase of units, crediting units into broker/clearing member pool account shall discharge MF/AMC of its obligation to allot units to individual investor. Stock Exchanges & Depositories shall provide investor grievance handling mechanism to the extent they relate to disputes between their respective regulated entity & their client.

1) Applications for purchase/redemption of units which are incomplete /invalid are liable to be rejected. 2) In case of non-financial requests/ applications such as change of address, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of Tata Mutual Fund if units are held in physical mode & the respective Depository Participant(s) if units are held in demat mode. 3) An account statement will be issued by Tata Mutual Fund to investors who purchase/ redeem their units under this facility in physical mode. In case of investors who intend to deal in units in depository mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account. 4) The applicability of NAV will be subject to guidelines issued by SEBI from time to time on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). 5) Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/CDSL/ NSDL & Tata Mutual Fund to participate in this facility. 6) Investors should get in touch with Investor Service Centres (ISCs) of Tata Mutual Fund for further details. The Trustee reserves the right to change/modify the features of this facility at a later date.

Date: 20 May, 2020.