This product is suitable for investors who are seeking*:

- Long Term Capital Appreciation by investing in equity and equity related instruments
- Income distribution by investing in equity arbitrage opportunities and debt & money market instruments.

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

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of TATA Mutual Fund, Tax and Legal issues and general information on www.tatamutualfund.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document (SID)). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated 20 May, 2020

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<th>Trustee</th>
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<td><strong>Tata Asset Management Ltd.</strong></td>
<td><strong>Tata Trustee Company Ltd.</strong></td>
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TATA EQUITY SAVINGS FUND

HIGHLIGHTS / SUMMARY OF THE SCHEME

<table>
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<th>Name of the Scheme</th>
<th>Tata Equity Savings Fund (TESF)</th>
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<tr>
<td>Type of Scheme</td>
<td>An open-ended scheme investing in equity, arbitrage and debt.</td>
</tr>
<tr>
<td>Category of Scheme</td>
<td>Hybrid Schemes- Equity Savings</td>
</tr>
</tbody>
</table>

**Investment Objective**

The investment objective of the scheme is to provide long term capital appreciation and income distribution to the investors by predominantly investing in equity and equity related instruments, equity arbitrage opportunities and investments in debt and money market instruments. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The scheme does not assure or guarantee any returns.

**Liquidity**

The Scheme is open for resale and repurchase of units at NAV based price, with applicable loads, if any on every business day on an ongoing basis.

**Benchmark**

Nifty Equity Savings Index (TRI)

**Transparency of operation / NAV Disclosure**

The NAVs will be calculated and disclosed on every Business Day. The AMC shall 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.

Tata Mutual Fund shall disclose portfolio (along with ISIN) in user friendly and downloadable spreadsheet format, as on the last day of the month/half year for all their schemes on its website www.tatamutualfund.com and on the website of AMFI 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 shall send via email both the monthly and half yearly statement of scheme portfolio within 10 days from the close of each month/half year respectively.

Due to difference in the expense ratio, the NAV of each option of Direct Plan will be different from the NAV of each option of Regular Plan. Similarly, due to dividend payout, the NAV of Dividend Option will be different from the NAV of Growth option.

In case of investment in overseas securities by the scheme(s) as mentioned in the asset allocation patter of the respective scheme, the NAV of the fund will be based on the prices of overseas securities converted into Indian rupees.

**Investment Options / Plans:**

**Regular Plan (For applications routed through Distributors):**

The Scheme has following options:

- Growth Option
- Dividend Option- Monthly dividend* and Periodic Dividend

**Direct Plan (For applications not routed through Distributors)**

The Scheme has following options:

- Growth Option
- Dividend Option- Monthly dividend* and Periodic Dividend

Dividend option has sub-options of Dividend Payout, Dividend Reinvestment & Dividend Sweep.

*: Monthly Income is not assured and is subject to the availability of distributable surplus.

Please note that the Dividend shall be distributed at the discretion of the Trustees subject to availability of distributable surplus.

**Default Option (Direct Plan/Growth)**

In case of Broker Code mentioned by the investor is not mentioned, by default, the units will be allotted under the Growth Option.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Broker Code mentioned by the investor</th>
<th>Plan mentioned by the investor</th>
<th>Default Plan to be captured</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Not mentioned</td>
<td>Not mentioned</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>2</td>
<td>Not mentioned</td>
<td>Direct</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>3</td>
<td>Not mentioned</td>
<td>Regular</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>4</td>
<td>Mentioned</td>
<td>Direct</td>
<td>Direct Plan</td>
</tr>
</tbody>
</table>
In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. TAML shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the TAML shall reprocess the transaction under Direct Plan from the date of application without any exit load.

<table>
<thead>
<tr>
<th>Load</th>
<th>Entry Load: N.A.</th>
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<tr>
<td>Exit Load:</td>
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<tr>
<td>Redemption/Switch-out/SWP/STP on or before expiry of 90 days from the date of allotment:</td>
<td>If the withdrawal amount or switched out amount is not more than 12% of the original cost of investment- NIL</td>
</tr>
<tr>
<td>Redemption/Switch-out/SWP/STP on or before expiry of 90 days from the date of allotment:</td>
<td>If the withdrawal amount or switched out amount is more than 12% of the original cost of investment- 0.25% of NAV</td>
</tr>
<tr>
<td>Redemption/Switch-out/SWP/STP after expiry of 90 days from the date</td>
<td>NIL</td>
</tr>
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</table>

Unitholders will have the facility to withdraw maximum upto 12% of original cost of investment under Systematic Withdrawal Plan (SWP), Systematic Transfer Plan (STP) and Redemption/Switch-out without an exit load on First in First Out Basis.

Minimum subscription amount under each Plan
- **Growth option:** Rs 5,000/- and in multiple of Re.1/- thereafter
- **Dividend:** Rs 5,000/- and in multiple of Re.1/- thereafter
- **Additional Purchase:** Rs.1000/- & in multiples of Re.1/-thereafter.

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

There is no minimum amount requirement, in case of investors opting to switch "all units" from any existing schemes of Tata Mutual Fund to this Scheme.

Duration of the scheme
- The Scheme, being an open ended in nature, has perpetual duration.

Other Highlights
- A Mutual Fund - sponsored by Tata Sons Limited (TSL) and Tata Investment Corporation Limited (TICL).
- The Scheme is managed by Tata Asset Management Limited (TAML).
- Earnings of the Fund is exempt from income tax under Section 10(23D) of the Income Tax Act, 1961.
- Investments in the Scheme are exempt from Wealth Tax under the prevailing direct tax laws.
- **Interpretation**
  - For all purposes of this Scheme Information Document (SID), except as otherwise expressly provided or unless the context otherwise requires:
    - The terms defined in this SID includes the plural as well as the singular.
    - Pronouns having a masculine or feminine gender shall be deemed to include the other.
    - The term “Scheme” refers to the scheme covered under this SID including the options /sub-options thereunder.

I. INTRODUCTION

A. RISK FACTORS
- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.
- Mutual Fund investments are subject to market risks, read all scheme related documents carefully.
- Mutual Funds and securities investments are subject to market risks and there can be no assurance and no guarantee that the Scheme will achieve its objective.
- As with any investment in stocks, shares and securities, the NAV of the Units under this Scheme can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the previous Schemes, the Sponsors or its Group / Affiliates / AMC / Mutual Fund is not indicative of and does not guarantee the future performance of the Scheme.
• Investment in equity and equity related securities including option contracts involve high degree of risks and investors should not invest in the schemes unless they can afford to take the risk of losing their investment.

• The sponsors are not responsible or liable for any loss resulting from the operations of the scheme beyond the initial contribution of Rs. 1 lakh made by them towards setting up of the mutual fund.

• Tata Equity Savings Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or the returns. Investors therefore are urged to study the terms of the Offer carefully and consult their Tax and Investment Advisor before investing in the Scheme.

• Tata Equity Savings Fund is not guaranteed or assured return scheme.

• Equity oriented mutual fund mean a fund which has been set up under a scheme of a Mutual Fund specified under clause (23D) of Income Tax Act, 1961 where more than 65% of the investible funds are invested in equity shares of domestic companies. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures. In an event where the percentage of annual average of monthly averages of equity shares of domestic companies falls below 65% of the investible funds, than the scheme may be classified as Non-Equity Oriented Fund and it may have additional tax implication on investors.

**Scheme Specific Risk Factors:**

**Risks associated with Capital Markets or Equity Markets, (i.e. Markets in which Equity Shares or Equity oriented instruments are issued and traded)**

**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. Investors should understand that the investment pattern indicated, in line with prevailing market conditions, is only a hypothetical example as all investments involve risk and there is no assurance that the Fund’s investment objective will be attained or that the Fund may not be in a position to maintain the indicated percentage of investment pattern under exceptional circumstances. There is no guarantee the investment / dis-investment decision will result into profit.

The fund may use techniques and instruments for efficient portfolio management and to attempt to hedge or reduce the risk. However these techniques and instruments if imperfectly used have the risk of the fund incurring losses due to mismatches particularly in a volatile market. The Fund’s ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any). The use of these techniques is dependent on the ability to predict movements in the prices of securities being hedged and movements in interest rates. There exists an imperfect correlation between the hedging instruments and the securities or market sectors being hedged. Besides, the fact that skills needed to use these instruments are different from those needed to select the Fund’s / plan’s securities. There is a possible absence of a liquid market for any particular instrument at any particular time even though the futures and options may be bought and sold on an organised exchange. The use of these techniques involves possible impediments to effective portfolio management or the ability to meet repurchase / redemption requests or other short-term obligations because of the percentage of the Fund’s assets segregated to cover its obligations.

**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.

**Risk Associated with Analytical Model**

The Fund Manager will employ certain strategies that depend upon the reliability and accuracy of the Fund Manager's analytical models. To the extent such models (or the assumptions underlying them) do not prove to be correct, the Scheme may not perform as anticipated, which could result in substantial losses.

**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**


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**TATA EQUITY SAVINGS FUND**

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other relevant regulations / guidelines issued by stock exchange(s) from time to time. The Scheme shall participate in Securities Borrowing and Lending only with the SEBI approved intermediaries.

Securities Lending means the lending of securities to SEBI approved intermediaries for a tenure of 1 to 12 months at a negotiated compensation in order to enhance returns of the scheme portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The AMC will adhere to the following strict internal limits should it engage in Securities Lending.

Not more than 20% of the net assets of the fund can generally be deployed in stock lending and not more than 5% of the fund can be can be deployed in Stock lending to any single counterparty. Collateral would always be obtained by the approved intermediary. Collateral value would always be more than the value of the security lent. Collateral can be in form of cash, bank guarantee, and government securities, as may be agreed upon with the approved intermediary, and would also be subject to a mark to market valuation on a daily basis.

**Example:**

A fund has a security of a company which it would wish to hold for a long period of time as a core holding in the portfolio as per the fund manager’s plan. In that case the investors would be benefited only to the extent of the rise in the value of the security, from time to time if any, on the exchange. If the fund is enabled to lend the said security to a borrower who would be wanting to take advantage of the market fluctuations in its price, the borrower would return the security to the lender (fund) at a stipulated time or on demand for a negotiated compensation. The fund’s unitholders can enhance their returns to the extent of the compensation it will earn for lending the same. An adequate security or collateral will have to be maintained by the intermediary. This should always be higher than the cost of the security. Thus it is in the interest of the investors that returns can be enhanced by way of stock lending rather than hold the security only for capital appreciation potential.

Thus the scenario under which the fund would participate in stock lending would be:

1. There is a holding of security e.g. of XYZ Ltd in the fund which the fund manager wants to be the core holding of the fund for approximately 6 to 12 months.
2. There is a borrower (not mutual fund) for the security. (who has taken a short position in the market and needs the said security of XYZ Ltd to settle it) who is willing to put up a proper collateral for the same (In all cases higher than the price of the script).
3. The borrower is represented by a proper recognized intermediary.
4. The agreement is to return the security or the amount so negotiated at a particular period of time or on demand.

Then the security will be lent by the fund and the unitholders would benefit from the additional compensation earned for lending, apart from the capital appreciation which also happens in that stock. Thus, to summarize, stock lending would be done by the fund only in the following circumstances:

- a) If permitted by trustees and the extent SEBI regulations in that regard, from time to time.
- b) If such activity generates additional returns for the fund and helps to enhance the fund returns.
- c) If considering the above and other factors all considered in totality, such activity is in the interest of unitholders in the fund.

**Securities Lending Risks**

It may be noted that this activity would have the inherent probability of collateral value drastically falling in times of strong downward market trends, rendering the value of collateral inadequate until such time as that diminution in value is replenished by additional security. It is also possible that the borrowing party and/or the approved intermediary may suddenly suffer severe business setback and become unable to honour its commitments. This, along with a simultaneous fall in value of collateral would render potential loss to the Fund. Besides, there is also be temporary illiquidity of the securities that are lent out and the fund will not be able to sell such lent out securities until they are returned.

**Risks associated with Debt / Money Markets (i.e. Markets in which Interest bearing Securities or Discounted Instruments are traded)**

**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 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.

Risks related to Arbitrage Strategy

- In case of a large redemption, the scheme may need to reverse the spot-futures transaction before the date of futures’ settlement. This eventually may lead to the basis risk. While reversing the spot-futures transaction on the Futures & Options settlement day on the Exchange, there could be a risk of volume-weighted-average-price of the market being different from the price at which the actual reversal is processed. This may result in basis risk.
- On the date of expiry, when the arbitrage is to be unwound, it is not necessary for the stock price and its future contract to coincide. There could be a discrepancy in their prices even a minute before the market closes. Thus, there is a possibility that the arbitrage strategy gets unwound at different prices.

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 separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

Risks associated with 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”.
- The Scheme may face execution risk, whereby the rates seen on the screen may not be the rate at which the ultimate execution of the derivative transaction takes place.
- The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue.
- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.
- The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.
- There is the 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. The counterparty may default on a transaction before settlement and therefore, the Scheme is compelled to negotiate with another counterparty at the then prevailing (possibly unfavorable) market price.
- The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.
- Where derivatives are used for hedging, such use may involve a basic risk where the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risk may be inter-related also e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.
- Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
Risks Factors associated with transaction in Units through stock exchange(s)

In respect of transaction in Units of the Scheme through BSE and / or NSE, allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by BSE and / or NSE and their respective clearing corporations on which the Fund has no control.

Risk Control / Mitigation measures for equity investments and related investments:

Investment in equity has an inherent market risk which cannot be mitigated generally. Also due to the concentrated equity portfolio strategy, the investment in the scheme is subject to higher risk compared scheme investing in a well –diversified equity portfolio. Following measures have been implemented with an objective to mitigate /control other risks associated with equity investing:

<table>
<thead>
<tr>
<th>Nature of Risk</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Risk</td>
<td>• Online monitoring of various exposure limits by the Front Office System. Also as a backup, manual controls are also implemented.</td>
</tr>
<tr>
<td>Poor Portfolio Quality</td>
<td>• Pre-approved universe of stocks based on strong fundamental research. New stock addition only with the prior approval of investment committee.</td>
</tr>
<tr>
<td>Performance Risk</td>
<td>• Periodical review of stock wise profit &amp; loss. Review of scheme performance vis. a vis. Benchmark index as well as peer group.</td>
</tr>
<tr>
<td>Liquidity Risk</td>
<td>• Periodical review of the liquidity position of each scrip (Market capitalization, average volume in the market vis. a vis. Portfolio Holding)</td>
</tr>
<tr>
<td>Concentration Risk</td>
<td>• Cap on maximum single sector exposure. Cap on maximum single stock exposure</td>
</tr>
</tbody>
</table>

Risk Control / Mitigation measures for Debt and related Investments:

<table>
<thead>
<tr>
<th>Nature of Risk</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Risk</td>
<td>• Focus on good quality paper at the time of portfolio construction</td>
</tr>
<tr>
<td></td>
<td>• Portfolio exposure spread over various maturity buckets to in line with maturity of a scheme.</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>• In house dedicated team for credit appraisal</td>
</tr>
<tr>
<td></td>
<td>• Issuer wise exposure limit</td>
</tr>
<tr>
<td></td>
<td>• Rating grade wise exposure limit</td>
</tr>
<tr>
<td></td>
<td>• Periodical portfolio review by the Board of AMC</td>
</tr>
<tr>
<td>interest Rate Risk</td>
<td>• Close watch on the market events</td>
</tr>
<tr>
<td></td>
<td>• Active duration management</td>
</tr>
<tr>
<td></td>
<td>• Portfolio exposure spread over various maturities.</td>
</tr>
<tr>
<td>Regulatory Risk</td>
<td>Online monitoring of various exposure limits by the Front Office System also as a backup, manual control are implemented.</td>
</tr>
</tbody>
</table>

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. The two conditions mentioned above shall be complied with on a calendar quarter basis, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. However, in case the Scheme does not have a minimum of 20 investors, on an average basis, in the stipulated period (i.e. during the concerned calendar quarter), the provisions of Regulation 39(2) (c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV.

The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS

Investors are urged to study the terms of the SID carefully before investing in this Scheme, and to retain this SID for future reference. The Mutual Fund may disclose details of the investor’s account and transactions there under to those intermediaries whose stamp appears on the application form or who have been designated as such by the investor. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.
TATA EQUITY SAVINGS FUND

Pursuant to the provisions of Prevention of Money Laundering Act, 2002, if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, on failure to provide required documentation, information, etc. by the unit holder the AMC shall have absolute discretion to report such suspicious transactions to FIUIND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units.

Tax Consequences
Redemption by the unit holders due to change in the fundamental attribute (if any, in future) of the scheme or due to any other reason may entail tax consequences for which the Trustees, AMC, Fund their Directors / employees shall not be liable.

Disclosure / Disclaimer
To the best of the knowledge and belief of the Directors of the Trustee Company, information contained in this SID is in accordance with the SEBI Regulations and facts and does not omit anything likely to have a material impact on the importance of such information.

Neither this SID nor the Units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this SID are required to inform themselves about, and to observe, any such restrictions. No persons receiving a copy of this SID or any accompanying application form in any such jurisdiction may treat this SID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this SID does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for Units pursuant to this SID to inform themselves about, and to observe, all applicable laws and Regulations of such relevant jurisdiction.

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

No person has been authorized to give any information or to make any representations not confirmed in this SID in connection with the New Fund Offer / Subsequent Offer of Units, and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund or the Asset Management Company or the Trustee Company. Statements made in this SID are based on the law and practice currently in force in India and are subject to change therein. Neither the delivery of this SID nor any sale made hereunder shall, under any circumstances, create any impression that the information herein continues to remain true and is correct as of any time subsequent to the date hereof.

Other Business Activities of AMC:
At present, apart from managing the schemes of Tata Mutual Fund, Tata Asset Management is:

- providing Portfolio Management Services under SEBI (Portfolio Managers) Regulations, 1993.
- appointed as Manager of Tata Alternative Investment Fund set up under SEBI (Alternative Investment Funds) Regulations 2012.
- Tata Asset Management (Mauritius) Private Limited, subsidiary of Tata Asset Management Limited, is registered with SEBI as Foreign Institutional Investors (deemed Foreign Portfolio Investor).
- has received no objection for providing investment advisory services to Offshore Funds/Clients.
- Investment Management services to off shore funds/clients(FPI).

The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities. This includes:

- Segregation of bank and securities account
- Maintained Capital adequacy for different activities as mandated by SEBI
- Segregation of key investment personnel and order management system wherever mandated under the regulations
- Restriction on transfer of securities in certain circumstances

All other business activities mentioned above will be explicitly forbidden from the acquisition of any asset out of the assets of the mutual fund scheme which involves the assumption of any liability which is unlimited or shall not result in encumbrance of the assets of the mutual fund scheme in any way and also should not affect the net worth requirements of Tata Asset Management Limited for mutual fund operation.

Notwithstanding anything contained in the SID the provisions of SEBI (Mutual Funds) Regulations 1996 and guidelines thereunder shall be applicable. The Trustee Company would be required to adopt / follow any regulatory changes by SEBI / RBI etc and /or all circulars / guidelines received from AMFI from time to time if and from the date as applicable. The Trustee Company in such a case would be obliged to modify / alter any provisions / terms of the SID during / after the launch of the scheme by following the prescribed procedures in this regard.
D. DEFINITIONS & ABBREVIATION

<table>
<thead>
<tr>
<th>No.</th>
<th>Term</th>
<th>Definition/enforcement</th>
</tr>
</thead>
</table>
| 1.  | “Business Day” or “Working Day”           | A day other than  
    • Saturday and Sunday  
    • a day on which the Bombay Stock Exchange Limited and/or National Stock Exchange of India Limited are closed for trading  
    • a day on which sale and repurchase of units is suspended by the AMC  
    • a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc.  
    The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres. In such circumstances notice will be uploaded on the AMC website i.e www.tatamutualfund.com. |
| 2.  | “Business Hours”                          | Business hours are from 10.00 A.M. to 3.00 P.M. on any Business Day.                                       |
| 3.  | “BSE”/“NSE”                               | Bombay Stock Exchange /National Stock Exchange                                                            |
| 4.  | “Calendar Year”                           | A Calendar Year shall be 12 full English Calendar months commencing from 1st January and ending on 31st December.|
| 5.  | “Custodian”                               | ICICI Bank Ltd.                                                                                           |
| 6.  | “Entry Load”                              | Amount that is paid by the investors at the time of entry / subscription into the scheme.                  |
| 7.  | “Exit Load”                               | Amount that is paid by the investors at the time of exit / redemption from the scheme.                     |
|     |                                           | Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:  
    - Long Futures : Futures Price * Lot Size * Number of Contracts  
    - Short Futures : Futures Price * Lot Size * Number of Contracts  
    - Option Bought : Option Premium Paid * Lot Size * Number of Contracts |
| 9.  | “Day”                                     | Any day as per English Calendar viz. 365 days in a year.                                                   |
| 10. | “Financial Year”                          | A Financial Year shall be 12 full English Calendar months commencing from 1st April and ending on 31st March.|
| 11. | “Group”                                   | As defined in sub-clause (ef) of clause 2 of MRTP Act, 1969.                                              |
| 12. | “IMA”                                     | Investment Management Agreement dated 9th May, 1995, as amended from time to time, between the TTCL & TAML. |
| 13. | “Investor”                                | An investor means any resident or non-resident person whether individual or not (legal entity), who is eligible to subscribe units under the laws of his/her/their country of incorporation, establishment, citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments thereto from time to time and who has made an application for subscribing units under the Scheme. Under normal circumstances, a Unit holder shall be deemed to be the investor. |
| 14. | “Net Asset Value” or “NAV”                | (a) In case of winding up of the Fund:  
    In respect of an Unit, the amount that would be payable to the holder of that Unit on any date if the fund were to be wound up and its assets distributed on that date (valuing assets & liabilities in accordance with the normal accounting policies of the Fund, but ignoring net distributable income of the current financial year & winding up expenses).  
    (b) Daily for Ongoing Sale/Redemption/ Switch:  
    In respect of a Unit, the amount that would be payable by/to the investor / holder of that Unit on any Valuation date by dividing the net assets of the Scheme by the number of outstanding Units on the Valuation date. |
| 15. | “Net Assets”                              | Net Assets of the Scheme / Plan at any time shall be the value of the Fund’s total assets less its liabilities taking into consideration the accruals and the provisions at that time. |
| 16. | “Non- Resident Indian” / NRI              | A person resident outside India who is a citizen of India or is a person of Indian origin as per the meaning assigned to the term under Foreign Exchange Management (Investment in firm or proprietary concern in India) Regulations, 2000. |
| 17. | “Permissible Investments”                 | Investments made on account of the Unitholders of the Scheme in securities and assets in accordance with the SEBI Regulations. |
| 18. | “Portfolio”                               | Portfolio at any time shall include all Permissible Investments and Cash.                                 |
| 19. | “Regulations”                             | Regulations imply SEBI Regulations and the relevant rules and provisions of the Securities and Exchange Board of India (Depositories and participants) Regulations 1996, Public Debt Act 1944, the relevant notifications of the Government of India Ministry of Finance Department of Revenue, (Central Board of Direct Taxes), the Income Tax Act, 1961; Foreign Exchange Management Act, 1999 as amended from time to time and shall also include any Circulars, Press Releases or Notifications that may be issued by SEBI or the Government of India or the Reserve Bank of India from time to time. |
| 20. | “Resident”                                | A resident means any person resident in India under the Foreign Exchange Management Act, 1999 and under the Income Tax Act, 1961, including amendments thereto from time to time. |
| 21. | “Scheme”                                  | The offer made by Tata Mutual Fund through this SID, viz., Tata Equity Savings Fund.                       |

23. "SEBI Regulations" The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time and shall also include any Mutual Fund Regulations, Circulars, Press Releases, or Notifications that may be issued by SEBI or the Government of India to regulate the activities and growth of Mutual funds.

24. "SCSB" Self-Certified Syndicate Banks (SCSB), the list of banks that have been notified by SEBI to act as a SCSB for the ASBA process as provided on www.sebi.gov.in

25. "SID" Scheme Information Document

26. "SAI" Statement of Additional Information

27. "SIP" Systematic Investment Plan, a facility to invest systematically (monthly / quarterly / half-yearly / yearly) in the scheme.

28. "SWP" Systematic Withdrawal Plan, a facility to redeem systematically (monthly / quarterly / half-yearly / yearly) from the scheme.

29. "STP" Systematic Transfer Plan, a facility to switch money / investment from this scheme to other scheme(s) of Tata Mutual Fund, systematically (monthly / quarterly / half-yearly / yearly)

30. "TAML" Tata Asset Management Limited, the Asset Management Company (AMC), a company within the meaning of the Companies Act, 1956 (1 of 1956) and includes its successors and permitted assigns.

31. "TICL" Tata Investment Corporation Limited, a sponsor of the TMF and a shareholder of TAML, a company within the meaning of the Companies Act, 1913 and includes its successors and permitted assigns.

32. "TMF" or "Fund" Tata Mutual Fund, a trust established under a Trust Deed dated 9th May, 1995, under the provisions of The Indian Trusts Act, 1882, bearing SEBI registration No. MF/023/95/9.

33. "Total Assets" Total Assets of the Scheme at any time shall be the total value of the Scheme's assets taking into consideration the accruals.

34. "Trust Deed" The Trust Deed of the Mutual Fund dated 9th May, 1995, as amended from time to time, made between TSL and TICL as the settlers, and TTCL as the Trustee.

35. "TSL" Tata Sons Limited, a sponsor of TMF and a shareholder of TAML, a company within the meaning of the Companies Act, 1913 and includes its successors and permitted assigns.

36. "TTCL or Trustee Company" Tata Trustee Company Limited, a company within the meaning of the Companies Act, 1956 and includes its successors and permitted assigns.

37. "Unitholder" A Unitholder means any resident or non-resident person whether individual or not (legal entity), who is eligible to subscribe to the Scheme and who has been allotted Units under the Scheme based on a valid application.

38. "Units" The security representing the interests of the Unitholders in the Scheme. Each Unit represents one undivided share in the assets of the Scheme as evidenced by any letter/ advice or any other statement / certificate / instrument issued by TMF.

39. "Year" A Year shall be 12 full English Calendar months.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

The following Due Diligence Certificate has been submitted to SEBI:

It is confirmed that:

(i) The Scheme Information Document is in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) All legal requirements connected with the running of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.

(iv) All the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and till date such registration is valid.

For Tata Asset Management Limited

Place: Mumbai
Date: 18.05.2020

Upesh K. Shah
Head- Compliance
II. INFORMATION ABOUT THE SCHEME

This Product is suitable for investors who are seeking:

- Long Term Capital Appreciation by investing in equity and equity related instruments
- Income distribution by investing in equity arbitrage opportunities and debt & money market instruments.

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

A. TYPE OF THE SCHEME

An open-ended scheme investing in equity, arbitrage and debt.

B. INVESTMENT OBJECTIVE OF THE SCHEME

The investment objective of the scheme is to provide long term capital appreciation and income distribution to the investors by predominantly investing in equity and equity related instruments, equity arbitrage opportunities and investments in debt and money market instruments. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The scheme does not assure or guarantee any returns.

How the fund is different from other existing schemes of Tata Mutual Fund:

Tata Equity Savings Fund is a fund which aims of provide long term capital appreciation by predominantly investing in equity and equity related instruments and income distribution by investing in equity arbitrage opportunities and Debt & money Market Instruments.

At present there are no other schemes of fund by Tata Asset Management which seeks to allocate investments between equity, arbitrage and debt asset categories in one fund. Below mentioned is the comparison of this fund with other existing schemes (Hybrid Category) of Tata Mutual Fund:

<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Asset Allocation Pattern</th>
<th>Primary Investment Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Arbitrage Fund</td>
<td>65%-100% in Equity and equity related securities and equity derivatives and 0-35% in Debt, Money market instruments and cash (including units of liquid schemes of Tata Mutual Fund)</td>
<td>Predominantly investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and by investing balance in debt and money market instruments. <strong>At present we do not have other similar scheme.</strong></td>
</tr>
<tr>
<td>Tata Balanced Advantage Fund</td>
<td>65%-100% in Equity and Equity related instruments and Equity Derivatives &amp; 0-35% in Debt (including money market instruments, securitized debt &amp; units of debt and liquid category schemes) &amp; Cash</td>
<td>Dynamic asset allocation scheme primarily investing in a diversified portfolio consisting of equity and equity related instruments across market capitalization (65% to 100%) and in debt instruments (0-30%). <strong>At present we do not have other similar scheme.</strong></td>
</tr>
<tr>
<td>Tata Hybrid Equity Fund</td>
<td>65% to 80% investment in Equity &amp; equity related instruments &amp; 20% to 35% in debt &amp; money market instruments.</td>
<td>The scheme invests both in equity &amp; debt instruments with a little bias towards equity &amp; equity related instruments. For taxation purpose is treated as an equity oriented scheme. <strong>At present we do not have other similar scheme.</strong></td>
</tr>
<tr>
<td>Tata Equity Savings Fund</td>
<td>65% to 90% in Equity &amp; Equity related instruments of which Net long Equity exposure 15% to 35%, Equity &amp; Equity Derivatives 30% to 70%, 10% to 35% in Debt, Cash &amp; Money market Securities.</td>
<td>Primarily focus on equity / equity related instruments of the companies by investing in arbitrage opportunities in cash and derivative segment. <strong>At present we do not have other similar scheme.</strong></td>
</tr>
<tr>
<td>Tata Multi Asset Opportunities Fund</td>
<td>65% to 80% investment in Equity &amp; equity related instruments, 10% to 25% in debt &amp; money market instruments, 10% to 25% in Commodity Derivatives.</td>
<td>Primary Focus is to generate long term capital appreciation by investing in equity &amp; equity related instruments, debt &amp; money market instruments and in exchange traded commodity derivatives. <strong>At present we do not have other similar scheme.</strong></td>
</tr>
</tbody>
</table>
C. ASSET ALLOCATION AND RISK PROFILE

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

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Indicative Allocation (% of Total Assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum</td>
<td>Maximum</td>
</tr>
<tr>
<td>Equity &amp; Equity Related instruments, of which</td>
<td>65%</td>
<td>90%</td>
</tr>
<tr>
<td>- Net Long Equity Exposure- Equity &amp; Equity related instruments* and units of Equity Funds of Tata AMC ^</td>
<td>15%</td>
<td>35%</td>
</tr>
<tr>
<td>- Equity &amp; Equity Derivatives (Arbitrage/Hedged Exposure) **</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Debt, Cash &amp; Money Market Securities #</td>
<td>10%</td>
<td>35%</td>
</tr>
</tbody>
</table>

The net long (Unhedged) equity exposure would be capped at a maximum of 35% of the portfolio.

$ The net long equity exposure will be managed as per the stated investment strategies. However, deviation in the investment pattern shall be subject to rebalancing requirements as stated in clause "Change in the Investment pattern."

*This denotes only net long equity exposures aimed to gain from potential capital appreciation of these positions. Thus it is a directional equity exposure which is not hedged.

** This denotes equity positions by investing in arbitrage opportunities in the equity market. The Fund Manager in the above case can therefore take exposure to equivalent stock/index futures & create completely covered positions to avail arbitrage between spot & futures market. Thus the entire position is primarily used to lock arbitrage profit. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposit.

^ including units of open ended Mutual Fund Schemes

Exposure to derivative instruments will be restricted to 70% of the net assets of scheme.

# The Scheme does not seek to invest in securitized debt, foreign securities, repo/ reverse repo in corporate debt securities and does not seek to participate in Credit Default Swaps.

Money Market Instruments include commercial papers, commercial bills, treasury bills, Tri-Party repo, Government Securities having an unexpired maturity up to one year, call or notice money, certificates of deposit, usance bills and any other like instruments as specified by the RBI from time to time. The Scheme retains the flexibility to invest across all securities in the Debt Securities and Money Market Instruments. The Scheme may also invest in units of debt and liquid mutual fund schemes. The portfolio may hold cash depending on the market conditions. The actual percentage of investment in various Money Market and other fixed income Securities will be decided after considering the economic environment including interest rates and inflation, the performance of the corporate sector and general liquidity and other considerations in the economy and markets.

The cumulative gross exposure to equity, equity related instruments, debt, money market instruments and derivatives shall not exceed 100% of the net assets of the scheme in accordance with SEBI Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010.

If suitable arbitrage opportunities is not available than the fund manager may hedge the equity long position. However if the debt / money market instruments are providing more efficient returns than equity exposure then the fund manager may choose to have a lower equity arbitrage/hedge exposure. In such defensive circumstances the asset allocation will be as per the below table:

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Indicative Allocation (% of Total Assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum</td>
<td>Maximum</td>
</tr>
<tr>
<td>Equity &amp; Equity Related instruments, of which</td>
<td>15%</td>
<td>90%</td>
</tr>
<tr>
<td>- Net Long Equity Exposure- Equity &amp; Equity related instruments**</td>
<td>15%</td>
<td>35%</td>
</tr>
<tr>
<td>- Equity &amp; Equity Derivatives (Arbitrage/ Hedged Exposure) **</td>
<td>0%</td>
<td>70%</td>
</tr>
<tr>
<td>Debt, Cash &amp; Money Market Securities #</td>
<td>10%</td>
<td>85%</td>
</tr>
</tbody>
</table>

The net long (Unhedged) equity exposure would be capped at a maximum of 35% of the portfolio.

* This denotes only net long equity exposures aimed to gain from potential capital appreciation of these positions. Thus it is a directional equity exposure which is not hedged.
** Equity exposure would be used for arbitrage opportunity to the extent possible and balance exposure may either be hedged with corresponding equity derivatives or may be invested in money market/debt securities. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposit.

The Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.

Not more than 20% of the net assets of the fund can generally be deployed in stock lending. The scheme 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 scheme at the time of lending.

Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as may be amended from time to time.

The AMC may from time to time for a short term period on defensive consideration, invest up to 100% of the funds available in Money Market Instruments, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interests so also to earn reasonable returns on liquid funds maintained for redemption/repurchase of units.

The Trustee Company may from time to time, for a short term period on defensive consideration, modify / alter the investment pattern / asset allocation, the intent being to protect the Net Asset Value of the Scheme and Unitholders interests, without seeking consent of the unitholders.

Due to market conditions, the AMC may invest beyond the range set out above. Such deviations shall normally be for a short term purpose only, for defensive considerations and the intention being at all times to protect the interests of Unit Holders.

**Change in Investment Pattern**

Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the fund manager and stated investment strategy; the intention being at all times to seek to protect the interests of the Unit holders. In the event of deviations, the fund manager will carry out rebalancing within 30 calendar Days. Where the portfolio is not rebalanced within 30 calendar Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

**Overview of Debt Market:**

The major players in the Indian Debt Markets are banks, financial institutions, insurance companies and mutual funds. The instruments in the market can be broadly categorized as those issued by corporate, banks, financial institutions and those issued by state/central governments. The risk associated with any investments are – credit risk, interest rate risks and liquidity risk. While corporate papers carry credit risk due to changing business conditions, government securities are perceived to have zero credit risk. Interest rate risk is present in all debt securities and depends on a variety of macroeconomic factors. The liquidity risk in corporate securities market is higher compared to those of government securities. The liquidity risk in corporate securities market is higher compared to those of government securities. Liquidity in the corporate debt market has been improving due to the entry of more players and due to various measures taken by the regulators to increase the liquidity and transparency such as introduction of repo in corporate bonds, Credit Default Swaps, compulsory reporting of secondary market OTC transactions on exchange platforms to name a few. Moreover, the recent successful introduction of Interest Rate Future in the benchmark 10 year Government Bond will also likely to increase the depth in the debt market.

The market participants in the corporate debt and gilt markets are banks, financial institutions, mutual funds, corporates, insurance companies, FIIs, primary dealers and provident funds. The main debt instruments in the market are those issued by Corporates and State/Central Governments. Corporate papers carry credit risk while government securities are believed to carry no credit risk. The main risks with investments in debt securities are interest rate risk, credit risk and liquidity risk. Interest rate risk associated with debt instruments depend on the macroeconomic environment. It includes both market price changes due to change in yields as well as coupon reinvestment rate risk. Corporate papers carry higher liquidity risk as compared to gilts due to the depth of the gilt market.

**Money Market:**

Money market encompasses a wide range of instruments with maturities ranging from one day to a year, issued by Government, Banks and corporates etc. and traded in markets of varying liquidity. The risk associated with any investments are – credit risk, interest rate risk and liquidity risk. However, such risks are lower in case of money market instruments compared to other debt instruments. Further, within the gamut of money market instruments as available in the market, such risks are very low in case of instruments issued by government. While corporate papers carry credit risk due to changing business conditions, government securities are perceived to have zero credit risk.

The following table attempts to give a broad overview of the available instruments in the financial markets and their risk return profile. The data given in the table is based on market conditions around the date of the Offer document and can at best be considered indicative:

**Expected Yields on Debt Securities (as on 28.04.2020)**

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Instruments</th>
<th>Maturity</th>
<th>Yields (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOI</td>
<td>T-Bill</td>
<td>91 days</td>
<td>3.65</td>
</tr>
<tr>
<td>GOI</td>
<td>T-Bill</td>
<td>364 days</td>
<td>3.75</td>
</tr>
<tr>
<td>GOI</td>
<td>Short dated</td>
<td>1-3 yrs</td>
<td>4.66</td>
</tr>
<tr>
<td>GOI</td>
<td>Long dated</td>
<td>3-5 yrs</td>
<td>5.74</td>
</tr>
<tr>
<td>Corporate</td>
<td>AAA</td>
<td>1-3 yrs</td>
<td>6.33</td>
</tr>
<tr>
<td>Corporate</td>
<td>AAA</td>
<td>3-5 yrs</td>
<td>6.82</td>
</tr>
<tr>
<td>Corporate</td>
<td>AA</td>
<td>1-3 yrs</td>
<td>7.04</td>
</tr>
<tr>
<td>Corporate</td>
<td>AA</td>
<td>3-5 yrs</td>
<td>7.42</td>
</tr>
<tr>
<td></td>
<td>Instrument</td>
<td>Maturity</td>
<td>YLD (%)</td>
</tr>
<tr>
<td>-------------</td>
<td>------------</td>
<td>------------</td>
<td>---------</td>
</tr>
<tr>
<td>Corporate</td>
<td>CP</td>
<td>3 months</td>
<td>5.25</td>
</tr>
<tr>
<td>Corporate</td>
<td>CP</td>
<td>1 year</td>
<td>6.40</td>
</tr>
<tr>
<td>Banks</td>
<td>CD</td>
<td>3 months</td>
<td>4.40</td>
</tr>
<tr>
<td>Banks</td>
<td>CD</td>
<td>1 year</td>
<td>5.40</td>
</tr>
<tr>
<td>Repo</td>
<td></td>
<td>1-3 days</td>
<td>2.85-2.90</td>
</tr>
<tr>
<td>GOI</td>
<td>T-Bill</td>
<td>91 days</td>
<td>3.65</td>
</tr>
</tbody>
</table>

**D. WHERE WILL THE SCHEME INVEST**

In line with the investment allocation pattern of the scheme, the scheme will predominantly invest in:

i) Equity and equity related instruments of domestic companies and/or equity derivatives such as options and futures.

ii) Debt and money market instruments.

**Investment in Equities:**

Investment in equity and equity related instruments will include securities such as:

- Equity shares of listed and unlisted companies;
- Derivatives and Equity arbitrage opportunities (which includes but is not limited to stock and index futures or such other derivatives as are or may be permitted under the Regulations and/or RBI from time to time);
- Preference shares;
- Convertible debentures;
- Any other like instruments as may be permitted by SEBI/Other regulatory authorities from time to time.

**Investment in Debt Securities:**

Investment in Debt and Money Market securities will include securities such as:

- Zero Interest Bonds, Deep Discount Bonds, Floating Rate Bonds.
- Government Securities.
- Short term deposit of the schedule commercial banks, subject to compliance with the SEBI circular no. SEBI/IMD/Cir No. 1/ 91171/07 dated April 16, 2007 and subsequent sebi circulars from time to time.
- Domestic Interest Rate Derivatives like interest rate swaps, forward rate agreement, interest rate futures, options and such other derivative instruments as permitted by SEBI / RBI from time to time.
- Any other like instruments as may be permitted by SEBI/RBI from time to time.

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

The securities/debt instruments mentioned above could be listed or to be listed ,unlisted, secured or unsecured, rated and of varying maturities and other terms of issue. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals. Please refer to the Clause “Liquidity & Settlement Risks” under Specific Risk Factors to understand the liquidity risk associated with securities. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per guidelines / regulations applicable to such transactions.

**Investment in Securities of Group Companies**

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.

**Derivatives and Hedging Products:**


The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

**Options:**

An option gives a person the right but not an obligation to buy or sell something. An option is a contract between two parties wherein the buyer receives a privilege for which he pays a fee (premium) and the seller accepts an obligation for which he receives a fee. The premium is the price negotiated and set when the option is bought or sold. A person who buys an option is said to be long in the option. A person who sells (or writes) an option is said to be short in the option.
An option contract may be of two kinds:

1) Call option: An option that provides the buyer the right to buy is a call option. The buyer of the call option can call upon the seller of the option and buy from him the underlying asset at the agreed price. The seller of the option has to fulfill the obligation upon exercise of the option.

2) Put option: The right to sell is called a put option. Here, the buyer of the option can exercise his right to sell the underlying asset to the seller of the option at the agreed price.

Option contracts are classified into two styles:

(a) European Style
In a European option, the holder of the option can only exercise his right on the date of expiration only.

(b) American Style
In an American option, the holder can exercise his right anytime between the purchase date and the expiration date.

Interest Rate Swap & Forward Rate Agreements
An interest rate swap is a financial contract between two parties exchanging a stream of interest payments for a notional principal amount on multiple occasions during a specified period.

Typically, one party receives a pre-determined fixed rate of interest while the other party, receives a floating rate, which is linked to a mutually agreed benchmark with provision for mutually agreed periodic resets.

As per SEBI (Mutual Fund) Regulations 1996, the Scheme 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 Sponsor. The Scheme may invest not more than 25% of the net assets in listed securities of Group companies.

E. THE INVESTMENT STRATEGIES

The investment strategy is aimed at generating income by investing in arbitrage opportunities in the cash and derivatives segments of the equity markets, in debt securities and at the same time attempting to enhance returns through unhedged long exposure in equity and equity related instruments. If suitable arbitrage opportunities are not available in the opinion of the Fund Manager, the scheme may hedge the equity exposure and invest balance amount in debt and money market securities.

Investment in fixed income securities (wherever possible) will be mainly in investment grade listed/unlisted securities. In case of investment in debt instruments that are not rated, specific approval of the Board of AMC and Trustee Company will be taken.

Net Long Equity Allocation
The Scheme will invest in opportunities arising out of corporate actions announced in stocks that offer superior risk-adjusted returns and IPOs. The fund manager may invest across sectors, take cash calls, change allocation between the net long equity and fixed-income asset classes/equity arbitrage position in a dynamic manner within the permitted limits.

The stocks under the Scheme will be selected after rigorous fundamental research which includes parameters like management competitiveness, business competitiveness, corporate governance, growth prospects, past track record etc.

Income from Arbitrage Positions:
The fund manager will evaluate the difference between price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for cost and taxes, the scheme may buy the stock in the spot market and sell the same stock in equal quantity in the futures market simultaneously. For example, on 01-12-2014, the scheme buys 10,000 shares of XYZ Ltd (hypothetical stock) on spot @ Rs.144.40/- and at the same time sells 10,000 XYZ Ltd. futures for December, 2014 expiry @ Rs.145.70. The scheme thus enters into a fully hedged transaction by selling the equity position in the futures market for expiry on 25-12-2014. If the scheme holds this position till expiry of the futures, the scheme earns an annualized net return (after adjusting brokerage, service tax and STT) of 9.79%, irrespective of what is the price of XYZ Ltd. on the date of expiry. On the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still persists, the scheme may rollover* the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously.

* Rolling over of the futures transaction means, Unwinding the short position in the futures and simultaneously buying futures of the subsequent Month maturity, and Holding onto the spot position. There could also be instances of unwinding both the spot and the future position before the expiry of the current-month future to increase the base return or to meet redemption.

Enhance returns through Unhedged Equity:
The scheme would look to enhance returns through a moderate exposure in unhedged equity positions. The long equity exposure may comprise of equity stocks or equity derivatives such as equity index options & futures or a combination of both. A combination of top-down & bottom up approach would be used to select scrips which have the potential to provide growth at reasonable valuations.

Risk Control Measures:

Risk Control Measures for investment strategy:
The fund will comply with the prescribed SEBI limits on exposure. In addition the fund will also comply with all internal risk management guidelines specified from time to time by the Investment Committee. Risk would be monitored at periodic intervals and the portfolio would be rebalanced within the specified time period in case of any deviations.

Risk Mitigation measures for portfolio volatility:
Portfolio volatility will be managed in line with the objective of scheme. As the scheme is involved only in cash futures arbitrage, the portfolio volatility depends on the spread between cash & futures prices.
Risk mitigation measures for managing liquidity:
A major part of the scheme is invested in liquid stocks. The fund manager may also keep some portion of the portfolio in debt & money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. Stock turnover is monitored at regular intervals.

Risk associated with investing in equities
Equity and Equity related instruments on account of its volatile nature are subject to price fluctuations on daily basis. The volatility in the value of the equity and equity related instruments is due to various micro and macro-economic factors affecting the securities markets. This may have adverse impact on individual securities /sector and consequently on the NAV of Scheme.

The inability of the Scheme to make intended securities purchases due to settlement problems could cause the scheme to miss certain investment opportunities as in certain cases, settlement periods may be extended significantly by unforeseen circumstances. Similarly, the inability to sell securities held in the schemes portfolio may result, at times, in potential losses to the scheme, should there be a subsequent decline in the value of the securities held in the schemes portfolio.

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments. This may impact the ability of the unit holders to redeem their units. In view of this, the Trustee has the right, in its sole discretion to limit redemptions (including suspending redemptions) under certain circumstances.

Investments in equity and equity related securities involve high degree of risks and investors should not invest in the Scheme unless they can afford to take the risk of losing their investment.

The scheme may invest in derivatives instruments such as Futures, Options or such other instruments as may be permitted under the regulations.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies. However in case of call option, the options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However the gains of an options writer are limited to the premiums earned.

Risk mitigation measures for equity investments:
Investment in equity has an inherent market risk which cannot be mitigated generally. Also due to the concentrated equity portfolio strategy, the investment in the scheme is subject to higher risk compared scheme investing in a well-diversified equity portfolio. Following measures have been implemented with an objective to mitigate /control risks associated with equity investing:

<table>
<thead>
<tr>
<th>Nature of Risk</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Risk</td>
<td>Online monitoring of various exposure limits by the Front Office System. Also as a backup, manual controls are also implemented.</td>
</tr>
<tr>
<td>Poor Portfolio Quality</td>
<td>Pre-approved universe of stocks based on strong fundamental research. New stock addition only with the prior approval of investment committee.</td>
</tr>
<tr>
<td>Liquidity Risk</td>
<td>Periodical review of the liquidity position of each scrip (Market capitalization, average volume in the market vis. a vis. Portfolio Holding)</td>
</tr>
<tr>
<td>Concentration Risk</td>
<td>Cap on maximum single sector exposure. Cap on maximum single stock exposure.</td>
</tr>
</tbody>
</table>

Risk Mitigation measures for Debt and related Investments:

<table>
<thead>
<tr>
<th>Nature of Risk</th>
<th>Mitigation Measures</th>
</tr>
</thead>
</table>
| Liquidity Risk       | • Focus on good quality paper at the time of portfolio construction  
                      • Portfolio exposure spread over various maturity buckets to in line with maturity of a scheme.                 |
| Credit Risk          | • In house dedicated team for credit appraisal  
                      • Issuer wise exposure limit  
                      • Rating grade wise exposure limit  
                      • Independent rating of scheme portfolio by recognized rating agency.  
                      • Periodical portfolio review by the Board of AMC |
| Interest Rate Risk    | • Close watch on the market events  
                      • Active duration management  
                      • Portfolio exposure spread over various maturities.                                                   |
| Regulatory Risk      | Online monitoring of various exposure limits by the Front Office System also as a backup, manual control are implemented.                         |
Trading in Derivatives

Subject to SEBI (Mutual Fund) Regulations, 1996, the Scheme may use techniques and instruments such as trading in derivative instruments to hedge the risk of fluctuations in the value of the investment portfolio. In accordance with the guidelines issued by the SEBI, exposure to derivative instruments will be restricted to the limit as specified along with the asset allocation pattern of the scheme.

A derivative is an instrument whose value is derived from the value of one or more of the underlying assets which can be commodities, precious metals, bonds, currency, etc. Common examples of Derivative instruments are Interest Rate Swaps, Forward Rate Agreements, Futures, Options, etc.

The Scheme may use techniques and instruments such as trading in derivative instruments to hedge the risk of fluctuations in the value of the investment portfolio. A derivative is an instrument whose value is derived from the value of one or more of the underlying assets which can be commodities, precious metals, bonds, currency, etc. Common examples of Derivative instruments are Interest Rate Swaps, Forward Rate Agreements, Futures, Options, etc. The Scheme may purchase call and put options in securities in which it invests and on securities indices based on securities in which the scheme invests. Through the purchase and sale of futures contracts and purchase of related options on those contracts the Fund would seek to hedge against a decline in securities owned by the Fund or an increase in the prices of securities which the Fund plans to purchase. The Fund would sell futures contracts on securities indices in anticipation of a fall in stock prices, to offset a decline in the value of its equity portfolio. When this type of hedging is successful, the futures contract increase in value while the Fund’s investment portfolio declines in value and thereby keep the Fund’s net asset value from declining as much as it otherwise would. Similarly, when the Fund is not fully invested, and an increase in the price of equities is expected, the Fund would purchase futures contracts to gain rapid market exposure that may partially or entirely offset increase in the cost of the equity securities it intends to purchase.

Example: Please note that below mentioned examples are purely for illustration purpose only and actual exposure may vary to a greater extend in line with the regulatory directives.


The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.

For other option contracts, the total exposure related to option premium paid will not exceed 20% of the net assets of the scheme.

The Scheme may use techniques and instruments such as trading in derivative instruments to hedge the risk of fluctuations in the value of the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio is as per the formula given below:

\[
\text{Exposure} = \frac{\text{Portfolio Modified Duration} \times \text{Market Value of the Portfolio}}{\text{(Futures Modified Duration) \times \text{Futures Price/PAR}}}
\]

The Mutual Fund may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions shall be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions shall not exceed 10% of the net assets of the scheme.

Definition of Exposure in case of Derivative Positions

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Future</td>
<td>Futures Price\times\text{Lot Size}\times\text{Number of Contracts}</td>
</tr>
<tr>
<td>Short Future</td>
<td>Futures Price\times\text{Lot Size} \times \text{Number of Contracts}</td>
</tr>
<tr>
<td>Option Bought</td>
<td>Option Premium Paid\times\text{Lot Size} \times \text{Number of Contracts}.</td>
</tr>
</tbody>
</table>

Position Limits for Mutual Fund and its scheme

<table>
<thead>
<tr>
<th>Position limit for Index Options and Index Futures contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index Options Contract* On a particular underlying index Rs.500 Crore or 15% of the total open interest of the market in equity Index options contracts, whichever is higher.</td>
</tr>
<tr>
<td>Index Futures Contract** On a particular underlying index Rs.500 Crore or 15% of the total open interest of the market in equity Index futures contracts, whichever is higher.</td>
</tr>
</tbody>
</table>

* This limit would be applicable on open positions in all options contracts on a particular underlying index.
** This limit would be applicable on open positions in all futures contracts on a particular underlying index.

<table>
<thead>
<tr>
<th>Additional position limit for hedging</th>
</tr>
</thead>
<tbody>
<tr>
<td>In addition to the position limits as mentioned above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:</td>
</tr>
<tr>
<td>Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund’s holding of stocks.</td>
</tr>
<tr>
<td>Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund’s holding of cash, government securities, T-Bills and similar instruments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position limit for Stock Options and Stock Futures contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).</td>
</tr>
<tr>
<td>This limit would be applicable on aggregate open positions in all futures and all option contracts on a particular underlying stock.</td>
</tr>
</tbody>
</table>

Position limit for each scheme of a Mutual Fund

The scheme-wise position limit requirements shall be:

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
   - 1% of the free float market capitalization (in terms of number of shares). Or
   - 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts)

2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

3. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

Position Limits for Interest Rate Future Contracts:

Scheme Level: The gross open positions across all contracts shall not exceed 3 % of the total open interest or INR 200 crores- whichever is higher.

Mutual Fund: The gross open positions across all contracts shall not exceed 10 % of the total open interest or INR 600 crores- whichever is higher.

Derivative Instruments & Related Examples:

**Futures:**

A futures contract is an agreement between the buyer and the seller for the purchase and sale of a particular asset at a specific price on a specific future date. The price at which the underlying asset would change hands in the future is agreed upon at the time of entering into the contract. The actual purchase or sale of the underlying asset involving payment of cash and delivery of the instrument does not take place until the contracted date of delivery. A futures contract involves an obligation on both the parties to fulfill the terms of the contract. Currently, futures contracts have a maximum expiration cycle of 3-months. A futures contract on the stock market index gives its owner the right and obligation to buy or sell the portfolio of stocks characterized by the index. Stock index futures are cash settled; there is no delivery of the underlying stocks.

**Example:**

<table>
<thead>
<tr>
<th>Index Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assume, 1-month Nifty Future price on day 1: 10110</td>
</tr>
<tr>
<td>Scheme Buys</td>
</tr>
<tr>
<td>(1 lot = Nominal Value equivalent to 75 units of the underlying index)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the date of Settlement, the future price (closing spot price of the index) 10200</td>
</tr>
<tr>
<td>Profit for the scheme (10200-10110) <em>100</em>75 675000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the date of Settlement, the future price (closing spot price of the index) 10050</td>
</tr>
<tr>
<td>Loss for the scheme (10050-10110) <em>100</em>75 -450000</td>
</tr>
</tbody>
</table>

Risks associated with Future Contracts: Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets. Additional risks could be on account of illiquidity and potential mispricing of the futures.

**Options:**

An option gives a person the right but not an obligation to buy or sell something. An option is a contract between two parties wherein the buyer receives a privilege for which he pays a fee (premium) and the seller accepts an obligation for which he receives a fee. The premium is the price negotiated and set when the option is bought or sold. A person who buys an option is said to be long in the option. A person who sells (or writes) an option is said to be short in the option.
### Example:

#### Call Option

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Say, Scheme buys 1 lot of Nifty Index</td>
<td>75 Units</td>
</tr>
<tr>
<td>Spot price</td>
<td>10000</td>
</tr>
<tr>
<td>Strike price</td>
<td>10100</td>
</tr>
<tr>
<td>Premium</td>
<td>100</td>
</tr>
<tr>
<td>Total amount paid as premium (Rs.) (100X75)</td>
<td>Rs.7500</td>
</tr>
</tbody>
</table>

**Scenario 1: The Nifty Index goes up (i.e Nifty Spot)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Premium at the time of reversal</td>
<td>200</td>
</tr>
<tr>
<td>Net Gain Rs. (200-100)</td>
<td>100</td>
</tr>
<tr>
<td>Total gain on 1 lot of Nifty (75 units) Rs.(75x100)</td>
<td>Rs.7500</td>
</tr>
</tbody>
</table>

**Scenario 2: The Nifty index moves to the level below 10100**

**Put Option**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Say, Scheme buys 1 lot of Nifty Index</td>
<td>75 Units</td>
</tr>
<tr>
<td>Spot Price</td>
<td>10000</td>
</tr>
<tr>
<td>Strike Price</td>
<td>9450</td>
</tr>
<tr>
<td>Premium</td>
<td>50</td>
</tr>
<tr>
<td>Total Amount Paid by the Scheme (75*50)</td>
<td>3750</td>
</tr>
</tbody>
</table>

**Scenario 1: Nifty Index goes down**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nifty Spot</td>
<td>9300</td>
</tr>
<tr>
<td>Current Premium at the time of reversal</td>
<td>80</td>
</tr>
<tr>
<td>Premium Paid (Rs.)</td>
<td>50</td>
</tr>
<tr>
<td>Net Gain (Rs.80-50)</td>
<td>30</td>
</tr>
<tr>
<td>Total Gain on 1 lot of Nifty (Rs.) (75x30)</td>
<td>Rs.2250</td>
</tr>
</tbody>
</table>

**Scenario 2: If Nifty Index Stays over the Strike price of 9450**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nifty Spot</td>
<td>9375</td>
</tr>
<tr>
<td>Premium Paid (Rs.)</td>
<td>50</td>
</tr>
<tr>
<td>Exercise Price</td>
<td>9450</td>
</tr>
<tr>
<td>Gain on Exercise</td>
<td>75</td>
</tr>
<tr>
<td>Total Gain Rs.(75-50)*75</td>
<td>Rs.1875</td>
</tr>
</tbody>
</table>

**Risks associated with Option Contracts**: The option contracts give a person the right but not an obligation to buy or sell. The risk is potential mispricing and exposure to options can limit the profits from a genuine investment transaction.
Various Derivatives Strategies:

1. Index / Stock spot - Index / Stock Futures
The pricing of the futures is derived from underlying Index spot or the underlying stock. It is the cost of carry that binds the value of the futures to the underlying portfolio. When the two go out of sync, there are opportunities.

The cost of carry links the futures price to the price of the underlying asset. The price of the futures at any given instance should typically be more than the level of the spot price at that point. Theoretically, the fair value of the futures is equal to the spot price of the underlying plus the cost of carry i.e. the interest rate prevailing for an equivalent credit risk. Cash and carry trades at times provide higher than the prevailing interest rates. There is an opportunity to exploit by selling the overpriced futures and buying the underlying portfolio. It may also happen that the Index / Stock Future may be at a discount. In such cases, the Scheme may buy the future and sell the stock after borrowing the same. The Scheme shall enter into a combination of these transactions simultaneously.

If the Scheme has to unwind the positions prior to the expiry on account of redemptions or any other reason, the returns would depend on the spread between the spot and futures price at which the position is unwound. If the price differential between the spot and futures position of the subsequent month maturity is attractive near the expiry date, then the scheme may rollover the futures position and continue with the position in the spot market. The Scheme shall endeavour to deploy its assets through transactions in the above pattern, which may involve Index Futures with Stock Futures or Futures of the same stock with different expiry months.

2. Cash Futures Arbitrage Strategy
The fund would look for market opportunities between the spot and the futures market. The cash futures arbitrage strategy can be employed when the price of the futures exceeds the price of the underlying stock. The fund would first buy the stocks in cash market and then sell in the futures market to lock the spread.

Buying the stock in cash market and selling the futures results in a hedge where the fund portfolio has locked in a spread and is not affected by the price movements in the spot and futures markets. The arbitrage position can be continued till expiry of the futures contracts. The futures contracts are settled based on the last half an hour’s weighted average trade of the cash market. There is a convergence between the cash market and the futures market on expiry and this convergence results in the portfolio being able to generate the arbitrage return locked in earlier. However, the position may even be closed earlier in the event of the price differential being realized before expiry or better opportunities being available in other stocks / indexes. The strategy is attractive if this price differential (post all costs) is higher than the investor’s cost-of capital.

Illustration of a Cash Futures Arbitrage Strategy: -

Buy 100 shares of Company X at Rs 1000 and sell the same quantity of stock’s futures of the Company X at Rs 1100.

1. Market goes up and the price on the expiry day is Rs 2000.
At the end of the month (expiry day) the futures expires automatically:

Settlement price of futures = closing spot price = Rs 2000
Gain on stock is 100*(2000-1000) = Rs 100,000
Loss on futures is 100*(1100-2000) = Rs – 90,000
Net gain is 100,000 – 90,000 = Rs 10,000

2. Market goes down and the price on the expiry day is Rs 500.
At the end of the month (expiry day) the futures expires automatically:

Settlement price of futures = closing spot price = Rs 500
Loss on stock is 100*(500-1000) = Rs – 50,000
Gain on futures is 100*(1100-500) = Rs 60,000
Net gain is 60,000 – 50,000 = Rs 10,000

Unwinding the position:

Buy 100 shares of Company X at Rs 1000 and sell the same quantity of stock’s futures of the Company X at Rs 1100.

The market goes up and at some point of time during the month (before expiry) the stock trades at Rs 1200 and the futures trades at Rs 1190 then

Fund Manager will unwind the position:

Buy back the futures at Rs 1190: loss incurred is (1100- 1190)*100 = Rs – 9,000
Sell the stock at Rs 1200: gain realized: (1200-1000)*100 = Rs 20,000
Net gain is 20,000 – 9,000 = Rs 11,000

Rolling over the futures:

The Scheme may continue to stay invested in the stock in the Cash market. Close to expiry, if the stock’s price is at Rs 1500 then the stock’s futures is close to Rs 1500 as well. Also if the price of the current month stock futures is below the current price of the next month stock futures, the scheme may roll over the futures position to the next expiry:

The price of the stock futures next month contract is at Rs 1510
The price of the stock futures current month contract is at Rs 1500

20
Then sell the futures next month contract at Rs 1510 and buy back current month futures contract at Rs 1500 = gain of 100*(1510-1500) = Rs 9,000

and the arbitrage position is rolled over.

3. Use of derivative for other Arbitrage Opportunities

a. Dividend Arbitrage

At the time of declaration of dividend, the stock futures / options market can provide a profitable opportunity. Generally, the stock prices decline by the dividend amount when the stock becomes ex-dividend.

b. Buy-Back / Open Offer Arbitrage

When the Company announces the buy-back or open offer of its own shares, there could be opportunities due to price differential in buyback price and traded price.

c. Weighted average price of futures on expiry.

The fund manager will aim at liquidating the cash market position in the last half an hour on expiry day at a rate that will be closed to weighted price in the spot market. However, the extreme volatility in last half an hour may effect the price and accordingly affect the return. Accordingly, fund will aim at taking exposure to those stocks where the bid and ask spread is minimum.

d. Reverse cash and carry arbitrage

If permitted by SEBI, the scheme may enter into reverse cash and carry arbitrage. This will involve borrowing stock for a defined period from a recognized counter-party and selling it in the market while simultaneously taking a long position in the stock futures. The above trade will be remunerative in scenarios where the stock/ index futures are trading at a discount to the underlying cash market. Once the discount narrows or converts to a premium, the position is unwind by buying back the stock/index and squaring off the futures transaction. The purchased stock/ index is returned to the lender as per the agreed terms.

For detailed risk associated with use of derivatives, please refer paragraph “Scheme Specific risk factors”.

Portfolio Turnover

“Portfolio Turnover” is the term used by any Mutual Fund for measuring the amount of trading that occurs in a Fund’s portfolio during the given period of time. As the scheme is an open ended equity scheme, it is expected that there would be a number of subscriptions and repurchase on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. However, a high turnover would not significantly affect the brokerage and transaction costs. The Fund will endeavor to balance the increased cost on account of higher portfolio turnover with the benefits derived thereof. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for scrips/securities held in the portfolio rather than an indication of a change in Fund view on a scrip, etc.

Portfolio Turnover Ratio: 7.43 Times as on 30th April 2020 (for 13 months).

F. FUNDAMENTAL ATTRIBUTES

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

(i) Type of a scheme

An Open Ended Equity Scheme.

(ii) Investment Objective

The investment objective of the scheme is to provide long term capital appreciation and income distribution to the investors by predominantly investing in equity and equity related instruments, equity arbitrage opportunities and investments in debt and money market instruments. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The scheme does not assure or guarantee any returns.

Investment Pattern and Risk Profile:

Refer Section C for detailed Asset Allocation & Risk Profile.

(iii) Terms of Issue

• Liquidity: Repurchase/ Resale is at Net Asset Value (NAV) related prices with repurchase loads as applicable (within limits) as specified under SEBI Regulations 1996, the repurchase price shall not be lower than 93% of the NAV, the sale price will not be higher than 107% of the NAV and further that the difference between the sale and repurchase price shall not exceed 7% calculated on the sale price.

• Refer section “IV FEES AND EXPENSES” for aggregate fees and expenses chargeable to the Scheme.

• The scheme does not provide any safety net or guarantee nor does it provide any assurance regarding declaration of dividend. There is no guarantee or assurance that the scheme will achieve its objective.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

(i) A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

(ii) The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.
G. SCHEME BENCHMARK

NIFTY Equity Savings Index captures performance of a portfolio having exposure to equity, equity arbitrage and debt instruments. This index is a total return index capturing price return and dividend/coupon income. Considering the type of the scheme and asset allocation pattern of the scheme, the selected(multiple) benchmarks are the most suitable and hence adopted for the scheme. Total Return variant of the index’s (TRI) will be used for performance comparison.

The Trustees may change the benchmark in future if a benchmark better suited to the investment objective of the Scheme is available.

H. FUND MANAGER

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Qualification</th>
<th>Total Experience (Years)</th>
<th>Other Schemes Under his Management</th>
<th>Experience (Assignments held during last 10 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sailesh Jain</td>
<td>40</td>
<td>MBA (Finance) from Queensland University of Technology Queensland, Australia.</td>
<td>16</td>
<td>Tata Arbitrage Fund, Tata Nifty Exchange Traded Fund, Tata Nifty Private Bank Exchange Traded Fund, Tata Quant Fund, Tata Balanced Advantage Fund (Hedged/derivative exposure of the portfolio)</td>
<td>From 9.11.2018 with Tata Asset Management Ltd. as Fund Manager, reporting to Chief Investment Officer-Equity. From April 2016 to October 2018 with IDFC Securities Ltd as Head Derivatives – Institutional sales. Reporting to Managing Director and Chief Executive Officer. From January 2010 to April 2016 with Quant Broking Pvt Ltd as Vice President – Institutional Sales – Derivatives and cash. Reporting to Chief Executive Officer and Managing Director. From June 2008 to December 2009 with IIFL (India Infoline) as Vice President – Institutional Sales -Head Equity Derivatives. Reporting to Head Institutional Sales.</td>
</tr>
<tr>
<td>Murthy Nagarajan</td>
<td>50</td>
<td>B. Com, M. Com, PGPMS, ICWA (Inter)</td>
<td>23</td>
<td>Tata Gilt Securities Fund, Tata Short Term Bond Fund, Tata Medium Term Fund, Debt Portfolio of Tata Retirement Savings Fund-Progressive, Moderate and Conservative, Debt Portfolio &amp; Tata Hybrid Equity Fund &amp; Tata Multi Asset Opportunities Fund.</td>
<td>Presently working with Tata Asset Management Ltd. since March 2017 as Head- Fixed Income, Reporting to Chief Executive Officer and Managing Director. October 2013 to February 2017 with Quantum Asset Management Co. Pvt. Ltd. as Head – Fixed Income, Reporting to Chief Executive Officer. February 2010 to October 2013 with Tata Asset Management Ltd. as Head -Fixed Income, Reporting to Chief Investment Officer. December 2007 to January 2010 with Mirae Asset Global Investment India Pvt. Ltd. as Head - Fixed Income, Reporting to Managing Director. August 1999 to November 2007 with Tata Asset Management Ltd. as Head -Fixed Income, Reporting to Managing Director.</td>
</tr>
</tbody>
</table>

I. Restrictions on Investments (as per seventh schedule of SEBI (Mutual Fund) Regulations 1996)

1. The scheme shall not invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company.
2. All investments by the scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
3. The Mutual Fund under all its scheme(s) shall not own more than ten percent of any company’s paid up capital carrying voting rights.
4. A mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company:

Provided that such limit shall not be applicable for investments in government securities, treasury bills and collateralized borrowing and lending obligations.:  

Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with the Board:

4A. A mutual fund scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments: Provided that Mutual Fund Schemes may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the scheme subject to such conditions as may be specified by SEBI from time to time:
6. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if:

5. The scheme shall not make any investment in:

8. Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities.

7. The scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, and are rated and secured with coupon payment frequency on monthly basis.

c) The timelines and investment limits for investment in unlisted NCDs

<table>
<thead>
<tr>
<th>Timeline (As on)</th>
<th>30/06/2020</th>
<th>31/12/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum investment in unlisted NCDs as % of the debt portfolio of the scheme</td>
<td>15% of debt portfolio</td>
<td>10% of debt portfolio</td>
</tr>
</tbody>
</table>

SEBI vide Circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019 has allowed the existing unlisted NCDs to be grandfathered till maturity, however SEBI vide circular number SEBI/HO/IMD/DF2/CIR/P/2020/75 dated 28th April 2020 clarified that the grandfathering of the identified NCDs is applicable across the mutual fund industry. Accordingly, mutual funds can transact in such identified NCDs.

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

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

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

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

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

f) The investment of mutual fund schemes in the following instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:

I. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and

II. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

III. For the purpose of this provision, ‘Group’ shall have the same meaning as defined in paragraph B(3)(b) of SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016.

IV. Investment limits as mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

V. Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

5. The scheme shall not make any investment in:

a) any unlisted security of an associate or group company of the sponsor; or

b) any security issued by way of private placement by an associate or group company of the sponsor; or

c) the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

6. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if:

a) such transfers are done at the prevailing market price^ for quoted instruments on spot basis.

Explanation- “spot basis” shall have same meaning as specified by stock exchange for spot transactions.

(b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

^Note: SEBI vide circular no SEBI/HO/IMD/DF4/CIR/P/2019/102 dt. September 24, 2019 has prescribed the methodology for determination of price to be considered for inter scheme transfers.

7. The scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund.

8. Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the SEBI.

Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the SEBI.

9. The mutual fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long term nature.

13. The scheme shall not make any investment in any fund of funds scheme.

14. The scheme will not advance any loan for any purpose.

15. The fund shall not borrow except to meet temporary liquidity needs of the mutual funds for the purpose of repurchase/ redemption of units or payment of interest or dividend to the unitholders. The fund shall not borrow more than 20 per cent of the net asset of the scheme and the duration of such a borrowing shall not exceed a period of six months.

16. Total Exposure of debt schemes of the fund in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Trustees.

Additional Provision: The investments in debt and money market instruments of group companies of both the sponsor and the AMC shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Trustees.

(group means a group as defined under regulation 2(mm) of SEBI(Mutual Funds) Regulations,1996 and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

These investment limitations / parameters (as expressed / linked to the net asset / net asset value / capital) shall in the ordinary course apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciations or depreciations in value, or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, TAML shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unitholders.

In addition, certain investment parameters (like limits on exposure to Sectors, Industries, Companies, etc.) may be adopted internally by TAML, and amended from time to time, to ensure appropriate diversification / security for the Fund. The Trustee Company / TAML may alter these above stated limitations from time to time, and also to the extent the SEBI (Mutual Funds) Regulations, 1996 change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its investment objective. As such all investments of the Scheme will be made in accordance with SEBI (Mutual Funds) Regulations, 1996, including Schedule VII thereof.

Investment by Asset Management Company

Apart from the above, TAML (the AMC) may invest in the scheme(s) on an ongoing basis, such amount, as they deem appropriate. The AMC shall not be entitled to charge any management fees on this investment in the scheme(s). Investments by the AMC will be in accordance with Regulation 25(17) of the SEBI (MF) Regulations, 1996.

As per regulation, the sponsors or asset management company (TAML) shall invest not less than one percent of the assets under management of the scheme or fifty lakh rupees, whichever is less, in the Growth option of the scheme and such investment will remain in the scheme till the scheme is wound up.

J. PERFORMANCE OF THE SCHEME

The scheme was earlier known as Tata Monthly Income Fund. Effective from 27th July 2015 the Scheme was known as Tata Regular Savings Equity Fund. w.e.f. 3rd May'2018, the scheme is known as Tata Equity Savings Fund.

Scheme Performance (As on 30.04.2020)

<table>
<thead>
<tr>
<th>Compound Annualized returns</th>
<th>Scheme Returns%</th>
<th>Benchmark Returns%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns for last 1 year</td>
<td>-2.24</td>
<td>0.49</td>
</tr>
<tr>
<td>Returns for last 3 years</td>
<td>1.87</td>
<td>6.04</td>
</tr>
<tr>
<td>Returns for last 5 years</td>
<td>3.38</td>
<td>6.71</td>
</tr>
<tr>
<td>Returns since inception</td>
<td>6.63</td>
<td>NA</td>
</tr>
</tbody>
</table>

Absolute Returns for the Last 5 Financial Years

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Scheme Return (%)</th>
<th>Benchmark Return % (Nifty Equity Savings Index)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2020</td>
<td>-5.92</td>
<td>-4.48</td>
</tr>
<tr>
<td>2018-2019</td>
<td>4.51</td>
<td>10.14</td>
</tr>
<tr>
<td>2017-2018</td>
<td>3.69</td>
<td>10.88</td>
</tr>
<tr>
<td>2016-2017</td>
<td>11.40</td>
<td>11.58</td>
</tr>
<tr>
<td>2015-2016</td>
<td>-1.57</td>
<td>1.83</td>
</tr>
</tbody>
</table>
Past performance of the scheme may or may not be sustained in future. Returns are for Regular-Monthly dividend option.

Note: Inception date: 27 April 2000. Returns are for Monthly Dividend option. All payouts during the period are assumed to be reinvested in the units of the scheme at the then prevailing NAV & while calculating returns dividend distribution tax is excluded.


Top 10 holdings by issuer as on 30.04.2020

<table>
<thead>
<tr>
<th>Name of Issuer</th>
<th>% of AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAMNAGAR UTILITIES &amp; POWER PVT. LTD.</td>
<td>4.39</td>
</tr>
<tr>
<td>SIKKA PORTS AND TERMINALS LTD.</td>
<td>4.22</td>
</tr>
<tr>
<td>INDIA INFRADEBT LTD.</td>
<td>4.19</td>
</tr>
<tr>
<td>RELIANCE INDUSTRIES LTD.</td>
<td>3.85</td>
</tr>
<tr>
<td>HDFC BANK LTD.</td>
<td>3.55</td>
</tr>
<tr>
<td>ICICI BANK LTD.</td>
<td>3.34</td>
</tr>
<tr>
<td>VEDANTA LTD.</td>
<td>2.29</td>
</tr>
<tr>
<td>POWER GRID CORPORATION OF INDIA LTD.</td>
<td>2.10</td>
</tr>
<tr>
<td>NTPC Ltd.</td>
<td>2.03</td>
</tr>
<tr>
<td>GOVT OF INDIA</td>
<td>1.97</td>
</tr>
</tbody>
</table>

The monthly portfolio of the Scheme 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

<table>
<thead>
<tr>
<th>Sectors</th>
<th>% of AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL SERVICES</td>
<td>23.8</td>
</tr>
<tr>
<td>POWER</td>
<td>11.34</td>
</tr>
<tr>
<td>IT</td>
<td>10.78</td>
</tr>
<tr>
<td>SERVICES</td>
<td>7.41</td>
</tr>
<tr>
<td>OIL &amp; GAS</td>
<td>6.1</td>
</tr>
<tr>
<td>PHARMA</td>
<td>5.99</td>
</tr>
<tr>
<td>TELECOM</td>
<td>4.97</td>
</tr>
<tr>
<td>CONSUMER GOODS</td>
<td>3.84</td>
</tr>
<tr>
<td>METALS</td>
<td>2.29</td>
</tr>
<tr>
<td>PAPER</td>
<td>1.97</td>
</tr>
<tr>
<td>AUTOMOBILE</td>
<td>1.92</td>
</tr>
</tbody>
</table>
TATA EQUITY SAVINGS FUND

<table>
<thead>
<tr>
<th>Category</th>
<th>Rs. In crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEMENT &amp; CEMENT PRODUCTS</td>
<td>1.45</td>
</tr>
<tr>
<td>FERTILISERS &amp; PESTICIDES</td>
<td>1.16</td>
</tr>
<tr>
<td>CONSTRUCTION</td>
<td>1.09</td>
</tr>
<tr>
<td>INDUSTRIAL MANUFACTURING</td>
<td>0.52</td>
</tr>
</tbody>
</table>

Note: Term Deposits not considered for issuer level holdings & sector allocation.

The aggregate investment in the scheme under the following categories as on 27.04.2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Rs. In crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMC’s Board of Directors</td>
<td>0.12</td>
</tr>
<tr>
<td>Fund Manager/Managers of the scheme</td>
<td>NIL</td>
</tr>
<tr>
<td>Other Key Managerial Personnel</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Illustration of impact of expense ratio on scheme return:

<table>
<thead>
<tr>
<th>Amount Invested (Rs)</th>
<th>10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Returns-assumed</td>
<td>15%</td>
</tr>
<tr>
<td>Closing NAV before expenses (Rs.)</td>
<td>11,500</td>
</tr>
<tr>
<td>Expenses (Rs)</td>
<td>250</td>
</tr>
<tr>
<td>Total NAV after charging expenses (Rs)</td>
<td>11,250</td>
</tr>
<tr>
<td>Net returns to investor</td>
<td>12.50%</td>
</tr>
</tbody>
</table>

Illustration is given to understand the impact of expense ratio on a scheme return and this should not be construed as an indicative return of the scheme.

II. UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

A. ONGOING OFFER DETAILS

Ongoing Offer Period (This is the date from Which the scheme will re-open for subscriptions redemptions after the closure of the NFO period.)

The scheme is known as Tata Regular Savings Equity Fund from 27th July, 2015. Further, in response to SEBI circular on Categorisation and Rationalisation of Schemes dated October 6, 2017, the scheme name have been changed to Tata Equity Savings Fund.

The Scheme was earlier known as Tata Monthly Income Fund which was formed pursuant to the demerger of Regular Income (Monthly Dividend) Option from Tata Income Fund with effect from 23rd December, 2002. Subsequently, Appreciation Option and Quarterly Income Option were carved out of the Monthly Income Option.

Being an existing open ended scheme, subscription / redemption facilities provided on all business days. Units of the Scheme is offered at NAV based price.

Ongoing price for subscription (purchase) / switch-in (from other schemes / plans of the Mutual fund) by investors.

At the applicable NAV.

Ongoing price for redemption (sale) / repurchase / switch outs (to other schemes/plans of the Mutual Fund) by investors.

At the applicable NAV subject to prevailing exit load, if any.

Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:

Rs. 10 * (1-0.02) = Rs. 9.80

Cut off timing for redemptions (sale) and switch outs (to other schemes / plans of the mutual fund) by investor.

Applicable NAV for Subscription / Switch-in for Direct Plans
This is the time before which your application (complete in all respects) should reach the official points of acceptance.

<table>
<thead>
<tr>
<th>Application Size</th>
<th>Applicable NAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>For application amount of Rs. 2 Lacs* &amp; above</td>
<td>NAV of the day on which the funds are realized up to 3.00 P.M. (Subject to transaction being time-stamped up to 3 p.m. on the date of realization of funds).</td>
</tr>
<tr>
<td>* 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.</td>
<td>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.</td>
</tr>
<tr>
<td>For application amount upto Rs. 2 Lacs</td>
<td>In case of switch transactions, funds will be made available for utilization in the switch-in-scheme based on the redemption pay-out cycle of the switch-out scheme.</td>
</tr>
</tbody>
</table>

### Redemption /Switch Out

In respect of application received up to 3 p.m., closing NAV of the day of receipt of application shall be applicable and in respect of application received after 3 p.m. closing NAV of next business day. Outstation cheques/demand drafts will not be accepted.

**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.**

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.

### 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 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 & 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 & 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.

### Where can the applications for redemption and switches be submitted?

Application/ Transaction slip completed in all respect along with Cheque / DD or fund transfer instruction in case of purchase, and transaction slip completed in all respect in case of redemption / Switch can be submitted at the official acceptance points. Refer Application form for further details.

### Investment Options / Plans:

**Regular Plan (For applications routed through Distributors):**

The Scheme has following options:

- Growth Option
- Dividend Option- Monthly dividend* and Periodic Dividend

**Direct Plan (For applications not routed through Distributors)**

The Scheme has following options:
TATA EQUITY SAVINGS FUND

- Growth Option
- Dividend Option- Monthly dividend* and Periodic Dividend

Dividend option has sub-options of Dividend Payout, Dividend Reinvestment & Dividend Sweep.

*: Monthly Income is not assured and is subject to the availability of distributable surplus.

Investor should appropriately tick the ‘option’ (dividend or growth) and sub-options (dividend payout, dividend reinvestment and dividend sweep) in the application form while investing in the Scheme. If no option is mentioned / indicated in the application form by the investor then the units will, by default, be allotted under the Growth Option. If no dividend sub-option is mentioned / indicated in the application form by the investor then the units will, by default, be allotted under the Periodic dividend - dividend reinvestment sub-option.

Default option under Direct / Regular Plan:

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Broker Code mentioned by the investor</th>
<th>Plan mentioned by the investor</th>
<th>Default Plan to be captured</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Not mentioned</td>
<td>Not mentioned</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>2</td>
<td>Not mentioned</td>
<td>Direct</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>3</td>
<td>Not mentioned</td>
<td>Regular</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>4</td>
<td>Mentioned</td>
<td>Direct</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>5</td>
<td>Direct</td>
<td>Not Mentioned</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>6</td>
<td>Direct</td>
<td>Regular</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>7</td>
<td>Mentioned</td>
<td>Regular</td>
<td>Regular Plan</td>
</tr>
<tr>
<td>8</td>
<td>Mentioned</td>
<td>Not Mentioned</td>
<td>Regular Plan</td>
</tr>
</tbody>
</table>

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

Treatment of Business Received Through Suspended Distributors:

The financial transactions of an investor where his distributor's AMFI Registration Number (ARN) has been suspended temporarily or terminated permanently by Association of Mutual Funds in India (AMFI) shall be processed as follows:

1. All purchase and switch transactions including SIP/STP registered prior to the date of suspension and fresh SIP/STP registrations received under the ARN code of a suspended distributor during the period of suspension, shall be processed under 'Direct Plan' and shall be continued under Direct Plan perpetually except in case where TAML receives any written request/ instructions from the unitholder/s to shift back to Regular Plan under the ARN of the distributor post the revocation of suspension of ARN.

2. All Purchase and Switch Transactions including SIP/STP transactions received through the stock exchange platform through a distributor whose ARN is suspended shall be rejected.

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. A simple example will explain the above statement:

<table>
<thead>
<tr>
<th>Date</th>
<th>Request by unitholder</th>
<th>Sub Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/01/2019</td>
<td>Purchase in Dividend Option</td>
<td>Payout</td>
</tr>
<tr>
<td>02/03/2019</td>
<td>SIP Registered in Dividend Option</td>
<td>Reinvestment</td>
</tr>
<tr>
<td>03/05/2019</td>
<td>Additional Purchase in Dividend Option</td>
<td>Payout</td>
</tr>
<tr>
<td>02/06/2019</td>
<td>SIP Instalment</td>
<td>Reinvestment</td>
</tr>
</tbody>
</table>

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.

Investor should note that for processing of redemption and related transactions in Non-PAN exempt folios from time to time, it is mandatory to complete the KYC requirements for all applicants/investors (including existing investors and joint holders) and in case of folio of a minor investor, the KYC of the guardian is mandatory irrespective of the amount of investment.
Accordingly, financial transactions (including Fresh Purchases, Additional Purchases, Switch transactions, Redemption and all types of systematic plans) and non-financial requests will not be processed if the applicants (including existing investors and joint holders) and unitholders have not completed KYC requirements.

Unitholders are advised to use the applicable KYC Form for completing the KYC requirements and submit the forms at the point of acceptance. Further, upon updation of PAN/PEKRN details with the KRA (KRA-KYC)/CERSAI (CKYC), the unitholders are requested to intimate TAML/Registrar and Transfer Agent i.e. Computer Age Management Services Limited (CAMS) their PAN information along with the folio details for updation in our records.

**Minimum amount for redemption, purchase and switches**

- **Minimum subscription amount for each option under scheme:**
  - **Growth option:** Rs 5,000/- and in multiple of Re.1/- thereafter
  - **Dividend (payout):** Rs 5,000/- and in multiple of Re.1/- thereafter
  - **Additional Purchase:** Rs.1000/- & in multiples of Re.1/-thereafter.

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

  There is no minimum amount requirement, in case of investors opting to switch “all units” from any existing schemes of Tata Mutual Fund to this Scheme.

**Maximum amount for redemption and switch outs**

- (a) The repurchase would be permitted to the extent of credit balance in the Unit holder’s account.
- (b) There may be exceptional circumstances leading to a systemic crisis or events that severely constraint market liquidity or efficient functioning of the market, where the right to redemption may be restricted by TAML. Investors are requested to refer the clause "Restrictions on Redemption and switch of units" in Statement of Additional Information (SAI) of Tata Mutual Fund.

**Minimum balance to be maintained and consequences of non-maintenance.**

The Fund may mandatorily redeem all the Units of any Unitholder:

- (a) if the value of the account falls below the minimum Account balance of Rs.500/50 units due to normal repurchase/switch and the unitholders fails to invest sufficient funds or to purchase sufficient units to bring the value of the account upto the minimum level within 30 days after a written intimation in this regard is sent by the fund to that unitholder; or
- (b) where the Units are held by a Unitholder in breach of any regulations;
- (c) The repurchase would be permitted to the extent of credit balance in the Unitholders account.

**Special Products / facilities**

- **a) Systematic Investment Plan (SIP)**
  The investors can benefit by investing specified Rupees amounts at regular intervals. The SIP allows the unitholders to invest a fixed amount of Rupees at regular intervals for purchasing additional units of the fund at NAV based prices. Investment can be done with the minimum / maximum amount and number of cheques specified by AMC from time to time. The cheques will be presented on the dates mentioned on the cheque and subject to realization. Units will be allotted at the applicable NAV along with applicable load (if any).

  “SIP facility is available subject to terms and conditions. Please refer to the SIP Enrolment form for terms and conditions before enrolment.”

- **b) Systematic Withdrawal Plan (SWP)**
  This facility available to the unitholders of the fund enables them to redeem fixed sums or fixed number of units from their unit accounts at periodic intervals. The amount withdrawn under SWP by redemption shall be converted into the Fund units at the Repurchase price and such units will be subtracted from the unit balance of that unitholder. In case the date falls during a book closure period the immediate next Business day will be considered for this purpose.

  The Authorised Investor Service Center may terminate SWP on receipt of a notice from the unitholder. It will terminate automatically if all units are liquidated or withdrawn from the account or upon the receipt of notification of death or incapacity of the unitholder.

  “SWP facility is available subject to terms and conditions. Please refer to the SWP Enrolment form for terms and conditions before enrolment.”

- **c) Systematic Transfer Plan (STP)**
  A unitholder may establish a Systematic Transfer Plan (STP) and choose to transfer on a monthly or a quarterly basis from one TMF Scheme to another TMF Scheme on a date prescribed by the Investment Manager. The amount thus withdrawn by redemption shall be converted into units at the applicable NAV on the scheduled day and such units will be subtracted from the unit balance of that unitholder. Unitholders may change the amount, not below the specified minimum, by giving two weeks' prior written notice to the registrars. STP may be terminated automatically if the balance falls below the minimum account balance or upon the receipt of notification of death or incapacity of the unitholders by the fund. Rules relating to the plan may be changed from time to time by the Investment Manager.

  “STP facility is available subject to terms and conditions. Please refer to the STP Enrolment form for terms and conditions before enrolment.”
Accounts Statements

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 a physical account statement and/or an e-mail to the investor’s registered address/email address not later than five business days from the date of subscription.

In compliance with SEBI Circulars, Tata Mutual Fund will send the Consolidated Account Statement (CAS) to investors as follows:

1. 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 Depositaries 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.

2. 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.

3. 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.

4. 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.

5. The dispatch of CAS by Depositaries 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.

6. Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme.

7. 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.

8. 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:

   a. 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 applicable tax (wherever applicable, as per existing rates), operating expenses, etc.

   b. 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.

Dividend

The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend. In case of failure to despatch dividend proceeds within 30 days, the AMC shall be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

Redemption

The redemption proceeds will be dispatched to the unit holders within 10 business days from the date of acceptance of the redemption request at the authorised centre of Tata Mutual Fund. The redemption cheque will be issued in the name of the first unitholder.

For units held in Demat form

Unitholders should submit their valid redemption request to their Depository Participant (DP). The redemption proceeds will be credited to the bank account of the Unitholder, as per the bank account details recorded with the DP through electronic modes or by forwarding a Cheque / Draft.
### Delay in payment of redemption / repurchase

The redemption or repurchase proceeds of the Scheme will be dispatched to the unit holders within 10 business days from the date of acceptance of redemption or repurchase request. In case of failure to despatch redemption proceeds within 10 business days, the AMC shall be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

### Restrictions, if any, on the right to freely retain or dispose of units being offered.

1. Unitholders desirous of transferring units shall submit the transfer request in the prescribed form or convert his/her holding in unit certificate or demat mode. Any addition / deletion of name from the folio of the unitholder is deemed as transfer of unit. Transfer of unit(s) shall be subject to payment of applicable stamp duty by the unitholder(s) and applicable laws. The above provisions in respect of deletion of names will not be applicable in case of death of unitholder (in respect of joint holdings) as this is treated as transmission of units and not transfer.

2. The units issued in Demat (electronic) form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time.

3. Transfer would be only in favor of transferees who are capable of holding units. The Fund will not be bound to recognize any other transfer.

4. The delivery instructions for transfer of units will have to be lodged with the DP in the requisite form as may be required from time to time and transfer will be affected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized mode.

As per SEBI circular no CIR/IMD/DF/102010 dated August 18, 2010. All the units of a mutual fund scheme held in Demat form will be freely transferable.

Please refer SAI for the procedure of transmission & pledging. Investors are requested to visit the funds website for the list of prescribed documents under any of the procedure or call the investors service centers for any clarification on the above.

### Bank Account Details

It shall be mandatory for the Unitholders to mention their bank account numbers in the applications/requests for redemptions. Unitholders are requested to give the full particulars of their Bank Account i.e. nature and number of account, name, Account Number, Nine digit MICR code No. (For Electronic Credit Facility), IFSC code for NEFT a 11 digit number, branch address of the bank at the appropriate space in the application form.

#### Uniform Procedure for Change of Bank Details (COB) and Change of Address (COA)

In order to protect the interest of the investors and mitigate the risks arising due to of increasingly fraudulent attempts by external elements by changing the address and/or bank details of the genuine investor, uniform process for carrying out change of bank and change of address is recommended by NISM committee.

Tata Mutual Fund (TMF) has adopted the following process for Change of Bank Mandate (COB) and Change of Address (COA) in line with the AMFI circular 135/BP/17/11-10 dated October 22, 2010 and 135/BP/26/11-12 dated March 21, 2012.

**A. Documents required for Change of Bank Mandate (COB)**

1. Transaction slip/Request letter from investor

   And

2. Proof of New Bank Mandate:

   Original of any one of the following documents or originals should be produced for verification or copy should be attested by the Bank:
   - Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the cheque.
     OR
   - Self attested copy of not older than 3 months bank statement containing the first unit holder name and bank account number
     OR
   - Bank passbook with current entries not older than 3 months containing the first unit holder name and bank account number.
     OR
   - Original Bank Letter on the letter head containing the first unit holder name and bank account number duly signed by branch manager/authorized personnel with name, employee code and bank seal.

   And

3. Proof of Existing Bank Mandate:

   Original of any one of the following documents or copy should be attested by the Bank or originals should be produced for verification:
   - Cancelled original cheque with first unit holder name and bank account number printed on the face of the cheque.
     OR
Original bank account statement / Pass book containing the first unit holder name and bank account number.

OR

Original letter issued by the bank on the letter head confirming the bank account holder name with the account details, duly signed by the Branch Manager with name, employee code and bank seal.

OR

In case such bank account is already closed, an original letter on the letter head of such bank duly signed by the Branch Manager with name, employee code and bank seal, confirming the closure of said account.

Important Note:

Unitholders may note that minimum 10 days prior notice is required for change/updation of bank account details. In case prior notice for change of bank account details is not provided at least 10 days prior to the date of redemption then the payment of redemption proceeds may be paid out to the existing bank account. For unit holder where the units are held in demat, please ensure that the bank account details linked with the demat account is updated. Maturity payment would be made as per the bank account details as provided by the Depository Participant.

A. Documents required for Change of Address (COA)

KYC not complied Folios/Clients:

1. Transaction slip/Request letter from investor
   
   And

2. Proof of New Address (as per KYC guidelines)
   
   And

3. Proof of Identity: Only PAN card copy if PAN is updated in the folio, or PAN/other proof of identity ((as per KYC guidelines) if PAN is not updated in the folio.

Unitholders may note that copies of all the documents submitted should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested/verified by entities authorized for attesting/verification of the documents as per extant KYC guidelines.

II) Restriction on Acceptance of Third Party Payments for Subscription of units of schemes of Tata Mutual Fund: In pursuance to Best Practice Guidelines issued by Association of Mutual Funds in India [AMFI] Vide Circular No.135/BP/16/10 dated August 16th 2010 for acceptance of Third party cheques, Tata Asset Management Ltd has decided not to accept subscriptions with Third-Party cheques, For details kindly refer Statement of Additional Information (SAI).

Who can invest

This is an indicative list and investors are requested to consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.

Eligibility for Application

The following persons (subject, wherever relevant to, purchase 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 an either or survivor/any one basis.

- Parents or other lawful Guardians on behalf of Minors. AMC will follow uniform process ‘in respect of investments made in the name of a minor through a guardian’ by SEBI vide circular no SEBI/HO/IMD/DF3/CIR/P/2019/168 dated December 24, 2019.

- 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 & Exchange Board of India (Mutual Funds) Regulations, 1996).

- Asset Management Company (AMC); (in accordance with Regulation 25(17) of the Securities & Exchange Board of India (Mutual Funds) Regulations, 1996).

- 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 and other eligible institutions.

- Religious and Charitable Trusts provided these are allowed to invest as per statute and their by-laws.

- Non-resident Indians/ persons of Indian origin residing abroad (NRIs) on a full repatriation basis or on non-repatriation basis.
• Foreign Portfolio Investor (Foreign Portfolio Investor (FPI) as defined under Regulation 2(1)(h) of Security Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.

• 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 Company 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 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.

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.
Dividend Policy

Growth Option:
The income / profits received / earned would be accumulated by the Fund as capital accretion, aimed at achieving medium to long term and also short term capital growth and reflected in the NAV.

Dividend Option:
The profits received / earned and so retained and reinvested may be distributed as dividend at appropriate rates (after providing for all relevant ongoing expenses, etc.) and at appropriate intervals (at present monthly and quarterly) as may be decided by the AMC and/or Trustee Company. It will be distributed to the unitholders who hold the units on the record date of declaration of the Income.

Please note that the dividend distribution and its frequency is subject to availability of distributable surplus and at the discretion of the trustees

The Fund reserves a right to modify the periodicity and manner of payout of such dividend as they deem fit without giving any further notice to unitholders.

The Fund does not assure any targeted annual return / income nor any capitalisation ratio. 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 out of Units”.

Dividend Reinvestment: Unitholders under this option also have the facility of reinvestment of the dividend so declared, if so desired. The income declared would be reinvested in the scheme on the immediately following ex-dividend date.

Dividend Sweep: Under this facility investor can opt for reinvestment of divided into any other scheme of Tata Mutual Fund. This facility is not available to those investors who have opted for dividend pay-out facility. Under this facility, the net dividend amount (i.e. net of statutory levy/taxes if any) will be automatically invested on the ex-dividend date into other scheme of Tata Mutual Fund as specified by the investor at the applicable NAV of that scheme and accordingly equivalent units will be allotted in lieu of dividend, subject to the terms and conditions of the scheme. No entry Load or exit load will be levied on the units issued in lieu of dividend. AMC reserves the right to modify or withdraw this facility without prior notice.

In case dividend pay-out option is not mentioned than dividend shall be compulsorily reinvested in the same scheme/option at applicable ex-dividend NAV.

Compulsory Dividend Reinvestment:
In order to reduce the expenses of the scheme and also for the convenience of the investors the dividend shall be compulsorily reinvested within the scheme at the applicable ex-dividend NAV if dividend amount is less than Rs 250/- in the same option of the respective plans of the scheme at the ex-dividend rate. This is applicable to the all dividend options of the scheme. In case of dividend reinvestment, the units will be allotted at applicable ex-dividend NAV in lieu of dividend.
Facility for purchasing of units of the scheme through order routing platform on BSE and NSE

The Fund reserves a right to modify the periodicity & manner of pay-out of such dividend as they deem fit without giving any prior notice to Unitholders.

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

The scheme is 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 though 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. Please refer SAI for further details.

The fresh subscription/switch in to all Plans and Options of Tata Monthly Income Fund (TMIF) through any mode including Stock Exchange Platform, Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) into the Fund TMIF has been suspended from 26th June to 31st July 2015.

Option to hold units in dematerialized (Demat) form

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011 and further as per AMFI Circular No 35P/MEMCOR/35/11-12 dated Dec 23, 2011, Mutual Fund shall provide an option to investors to hold units in Demat mode.

Hence investors opting for allotment of units in Demat form shall mention Demat account details in the application form. Demat facility is available for all schemes of Tata Mutual Fund except for subscription in Plans / Options where dividend distribution frequency is less than one month.

Subscription by way of Systematic Investment Plan option shall also be available for SIP transactions and units will be allotted based on the applicable NAV as per respective scheme information document and will be credited to Investor Demat Account on weekly basis on realization of funds.

As per SEBI Circular no. CIR/IMD/DF/102010 dated August 18, 2010, all the units of a mutual fund scheme held in Demat form will be freely transferable.

JUST SMS Facility

JUST SMS Facility enables the unitholders to

- Subscription of units of the scheme for amounts less than Rs 2 lacs.
- Redemption of units in the scheme (any amount/All Units).
- Switch out from the scheme (any amount/All Units).

This facility is currently available for existing investors (resident individuals only including guardian on behalf of minor) however new investor can avail this facility after opening a folio in the scheme.

The said limits can be changed at the sole discretion of Tata Asset Management Ltd.

Process Note:

1. Unitholders are deemed to have read and accepted the terms and conditions as stated in the Scheme Information Documents (SID), Key Information Memorandum (KIM) and the Statement of Additional Information (SAI) including the terms and conditions of the ‘Just SMS’ facility.

2. Subscription transaction request can be accepted in “Amounts” only and Switch and Redemption transaction requests can be accepted in “Amounts/Units” , however the request for Unit based redemption/switches can be given for “ALL” units and not part thereof. The minimum subscriptions / redemption / Switch amount in the respective scheme/s will be applicable for each transaction. The load structure prevailing at the time of the purchase transaction will be applicable.

3. Mobile Number Registration: Unitholder(s) of the Fund will have to register a mobile number registered in India in their folio for availing this Facility. The mobile number provided in the debit mandate shall be updated in the folio for which the Facility is required. Additionally it will be registered in all the folios (if the same is not already available) where the First/Sole unit holder PAN number is same as the First/Sole unit holder PAN in the application, the updation of the mobile number will be only for purpose of database enhancement for all communication purposes. To avail this facility, only one mobile number will be registered with one folio number.

4. Unitholder(s) of the Fund can start transacting, using this Facility only after successful registration of the Debit Mandate with their bankers and receipt of confirmation from the AMC. The process of registering the bank mandate with the banker may take upto 30 days.

5. Unit holder(s) need to provide Original cancelled cheque of the same bank account registered in the registration form with the unit holder’s name printed on the face of the cheque. In case an investor is not able to submit the Original cancelled cheque or do not have the name of the investor on the face of the cheque. Then the investor needs to submit:
   a. Copy of the bank passbook attested by bank / Original bank statement with name address and bank account number of the investor.
   b. A letter from the bank on its letter head certifying that the investor maintains an account with the bank, along with the information like the bank account number, bank branch, account type, the MICR code of the branch and the IFSC code.
   c. Get the bankers attestation in the face of the form in the section BANKER’S Attestation (For BANK Use only)
6. Transaction Charge: In accordance with SEBI circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, TAML/TMF will deduct Transaction Charges from the purchase/ subscription amount received from the investors investing through a valid ARN Holder i.e. AMFI registered Distributor (provided the Distributor has opted to receive the Transaction Charges). Transaction Charge of Rs. 100 (for investor other than first time mutual fund investor) per purchase / subscription of Rs. 10,000 and above are deductible from the purchase / subscription amount and payable to the Distributor. The balance amount shall be invested.

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 have also the option to either opt in or opt out of levying transaction charge based on type of the product.

7. In case the mode of holding of the folio is ‘Joint’ and the Debit Mandate is duly signed by all the joint holder(s), it will be deemed to be an express instruction to the AMC(Tata Asset Management Ltd) / RTA (Computer Age Management Service Pvt. Ltd), to keep the mode of holding to ‘Anyone or Survivor’ for availing this Facility only, so that this facility is available to the first named holder only. In case the unit holder is a "minor", the legal /natural guardian shall be eligible to avail of this Facility till the minor attains majority. As such legal/natural guardian may make payments from the minor’s respective bank account (or in accordance with the exceptions provided for third party payments) and the same shall be recognized by the AMC as valid payment as per the SEBI Mutual Fund Regulations.

8. The Purchase Facility is currently available to the investors with the bank account with following bank branches:
   a) All bank branches participating in Reserve Bank of India (RBI) Electronic Clearing System (ECS)/Regional Electronic Clearing System (RECS) facility.
   b) Core Banking branches of the following Banks: Allahabad Bank, Axis Bank, Bank Of Baroda, Citibank, Corporation Bank, HDFC Bank, Federal Bank, ICICI Bank, IDBI Bank, Karnataka Bank, Punjab National Bank, State Bank of India, Union Bank of India, United Bank of India.

   Please note that the list of the banks and branches may be modified/updated/ changed/deleted from time to time in future at the sole discretion of the AMC without assigning any reason or prior notice. You may kindly refer the AMC web site www.tatamutualfund.com for the latest list of locations/banks.

9. Some banks and branches may levy charges for mandate registration and / or transactions to their bank account holders, which will be borne by the account holder only and will not be borne /reimbursed by the AMC or the Fund.

10. Unit holder(s) hereby confirms, acknowledges and undertakes to make payments for subscription of units from their respective bank account(s) in compliance with applicable provisions relating to third party payments detailed in the SID / SAI and that the payment will be through legitimate sources only.

11. The responsibility of the bank account information provided in the Debit Mandate or any other application form for this Facility solely rests with the Unit holder(s) and the AMC / Fund / RTA will not be responsible or liable for any loss, claims, liability that may arise on account of any incorrect and / or erroneous data / information supplied by the Unit holder(s).

12. It will be the sole responsibility of the unit holder(s) bank and its branch to ensure proper registration of the Debit Mandate and confirm registration. If no confirmation of registration or rejection is received from the banker, the AMC/RTA/it’s agents will deem the same to be registered and confirm the registration to Unit holder(s) entirely at the risk of Unit holder(s).

13. The Unit holder(s) shall ensure availability of clear funds in their respective bank account, as specified in the Debit Mandate, at the time of requesting a Transaction using the Facility and at the time of bank account being debited.

14. The bank account of the customer may be debited towards purchases either on the same day of transaction or within one to seven business days depending on ECS cycle. The AMC / RTA shall attempt to settle the transaction and debit the bank account by requesting the registered bank for release of funds as per direct debit arrangement or standing instruction or RBI ECS (Debit) facility generally within a period of one to seven working days for bank. However, in case of non- receipt of the funds, for whatsoever reasons, the transaction shall stand cancelled/ null and void and the units allotted, if any would be reversed and stands cancelled.

15. The request for transaction is to be considered as accepted, subject to realization of funds towards purchases, and only on receipt of the confirmation from RTA on the registered mobile number or email id of the Unit holder(s) of the Fund.
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<td><strong>16.</strong> The applicable NAV for the transaction will be dependent upon the time of receipt of the SMS into Computer Age Management Service Pvt. Ltd, Registrar &amp; Transfer Agent of the Fund, ('RTA') server, electronically time-stamped and other factors like scheme, type of transaction, amount, date of realization of funds under SEBI regulations and will be treated on par with similar transactions received through other modes. For the purpose of this Facility, such RTA office centre would be considered as an Official Point of Acceptance of the transaction.</td>
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<td><strong>17.</strong> Any transaction request on a Non-Business Day will be processed on the next Business Day in accordance with the provisions provided in the Scheme Information Document ('SID') of the respective scheme.</td>
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<td><strong>18.</strong> If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information/key word or due to non-receipt of the SMS message by the RTA or due to late receipt of SMS due to mobile network congestions or due to any reason whatsoever, the Unit holder(s) will not hold the Fund, AMC and the RTA responsible for the same.</td>
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<td><strong>19.</strong> In case of non-receipt of confirmation from RTA within a reasonable time (around one hour), Unit holder(s) are advised to immediately call up the call centre on toll free no. 022-62827777 to confirm the status of the transaction request. In case of receipt of multiple confirmations from the RTA against a single transaction request, the same needs to be brought to the immediate attention of RTA and the AMC by calling up the call centre on toll free no. 022-62827777.</td>
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<td><strong>20.</strong> The Unit holder(s) availing the Facility shall check his / her bank account records carefully and promptly. If the Unit holder(s) believes that there has been an error in any transaction using the Facility, or that an unauthorized transaction has been effected, the Unit holder(s) shall notify the AMC or the RTA immediately by calling up the call centre on toll free no. 022-62827777. For faster dissemination of information, Unitholders are requested to provide their E-mail IDs. Delivering service through the internet &amp; web-based services such as e-mail is a more efficient delivery channel. Annual report, Account statements &amp; other communication will be sent via email, by default, to investors who have provided their email ID, unless specified otherwise. The Investor shall from time to time intimate the Mutual Fund / its transfer agents about any changes in the email address. In case of a large document, a suitable link would be provided &amp; investor can download, save &amp; print these documents. However, the investor always has a right to demand a physical copy of any or all the service deliverables, &amp; the Fund would arrange to send the same to the investor. It is deemed that the Unitholder is aware of all the security risks associated with online communication, including the possibility of third party interception of the documents sent via email. Mutual Fund / registrar shall not be responsible for e-mail not reaching to the investors and for all consequences thereof.</td>
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<td><strong>21.</strong> Unitholder(s) of the Fund agrees and acknowledges that any transaction, undertaken using the registered mobile number shall be deemed to be that of the Unitholder(s).</td>
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<td><strong>22.</strong> Unit holder(s) will also need to inform the AMC/RTA about any change in their bank account number, mobile number or email id through a duly signed written request in the specified format and supporting documents.</td>
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<td><strong>23.</strong> The Unit holder(s) agree that the Fund/AMC / RTA and their agents shall not be held liable for any unsuccessful registration and or transaction due to any action or inaction of the Unit holder(s) bank including but not limited to reasons mentioned below and agree to indemnify the Fund/AMC/RTA for all liabilities, losses, damages and expenses which they may consequent sustain or incur either directly or indirectly:</td>
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<td>a) Loss of the Debit Mandate in transit from point of acceptance of the form to RTA head office and further to the Unit holder(s)’ bank branch;</td>
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<td>b) Non-acceptance or rejection of Debit Mandate for whatsoever reason by the Unit holder(s)’ bank branch, with or without any reason assigned by the Unit holder(s) bank;</td>
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<tr>
<td>c) Non-registration of the Debit Mandate by the Unit holder(s)’ bank and branch;</td>
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<td>d) Deemed registration due to non-confirmation of registration or subsequent rejection by the bank and any subsequent rejection of debit of bank account for funds;</td>
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<tr>
<td>e) Non-availability of funds in the bank account of the Unit holder(s) at the time of debit Rejection of registration or transaction debit for any reason or without assigning any reason whatsoever.</td>
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| **24.** Employee Unique Identification Number (EUIN): Further, SEBI has made it compulsory for every employee/ relationship manager/ sales person of the distributor of mutual fund products to quote the EUIN obtained by him/her from AMFI in the Application Form. EUIN would assist in addressing any instance of mis-selling even if the employee/relationship manager/sales person later leaves the employment of the distributor. Hence, if your investments are routed through a distributor please ensure that the EUIN is correctly filled up in the Registration Form. However, if your distributor has not given you any advice pertaining to the investment, the EUIN box may be left blank. In this case you are required to tick ( ) the declaration to this effect as given by you.
TATA EQUITY SAVINGS FUND

Additional communication channel for transaction alerts and confirmations for financial and/or non-financial transactions and other services

Tata Asset Management Limited (TAML) / Tata Mutual Fund (TMF) is offering a facility to the unitholder/investors to receive transaction alerts and confirmations for financial and/or non-financial transactions and other services on “WhatsApp” which is enabled on the mobile numbers of unitholders registered in Tata Mutual Fund folios.

To receive such information/messages on WhatsApp, the unitholder/investor needs to provide their consent or “Opt In” and agree to receive various messages or other services. Investors can provide this ‘opt in’ on online mode and through physical modes like application form, through SMS etc.

The Terms and conditions for using the facility:

• The user agrees to subscribe to the WhatsApp service & promotional alerts from TAML/TMF.
• The user can unsubscribe to the channel at any time by sending an email to us at service@tataamc.com.
• This channel cannot be used for grievance redressal or reporting fraud as of now, TAML/TMF will have no liability if any such incidents are reported on this channel.
• It is advisable for customers who have subscribed to this service to delete WhatsApp when changing their device.
• Customers shall not submit or transmit any content through this service which:
  o Is Obscene, Vulgar, Pornographic, Political, Religious, etc.
  o Encourages the commission of a crime or violation of any law Violates any state or Central law in India and/or the jurisdiction in which he resides and/or any applicable law.
  o Infringes the intellectual or copyrights of a third party.
• Under no circumstances shall TAML/TMF, or its agents, affiliated companies, officers, directors, employees, and contractors be liable for any direct, indirect, punitive, incidental, special, or consequential damages that result from the use of, or inability to use, this service or for receipt of any answer provided by the program running at the back-end.
• The customer understands that using WhatsApp application may carry extra risks and may not be secured. Further any message and information exchanged is subject to the risk of being read, interrupted, intercepted, or defrauded by third party or otherwise subject to manipulation by third party or involve delay in transmission.
• TAML/TMF shall not be responsible or liable to the customer or any third party for the consequences arising out of or in connection with using of this service.
• The customer is responsible for keeping security safeguard of his WhatsApp account linked to the registered mobile number.
• TAML/TMF has the right to retract the service anytime it deems fit.
• The customer agrees that he shall not have any claim against TAML/TMF on account of any suspension, interruption, non-availability or malfunctioning of the service due to any link/mobile/system failure at TAML/TMF’s end for any reason thereof.
• These terms and conditions may be withdrawn/superseded/modified at any time whatsoever, by TAML/TMF without any prior notice.

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 scheme 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 scheme of Tata Mutual Fund either physically or electronically. The list of POS of MFUI is published on the website of MFUI at www.mfuindia.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 scheme of various mutual funds through MFU 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 MFU.

Investors are requested to visit the website of MFUI i.e. www.mfuindia.com to download the relevant forms.

For any queries or clarifications related to MFU, 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@mfuindia.com.
Cash Investments

Cash Investments in the Scheme Pursuant to SEBI circular dated September 13, 2012 and SEBI circular dated May 22, 2014, it is permitted to accept cash transactions to the extent of Rs. 50,000/- subject to compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under and the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines. Provided that the limit shall be applicable per investor for investments done in a financial year across all scheme of the Mutual Fund, subject to sufficient systems and procedures in place for such acceptance. However any form of repayment either by way of redemption, dividend, etc. with respect to such cash investment shall be paid only through banking channel.

Tata Asset Management Limited is in process of implementing adequate systems and controls to accept Cash Investment in the Scheme. Information in this regard will be provided to Investors as and when the facility is made available.

B. PERIODIC DISCLOSURES

Net Asset Value

This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.

NAV Information

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%*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 Board of Trustees may temporarily suspend determination and / or publication of the NAV of the Units.

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

Portfolio Disclosures / Half Yearly Financial Results

This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.

Portfolio Disclosure:

Tata Mutual Fund shall disclose portfolio (along with ISIN) in user friendly and downloadable spreadsheet format, as on the last day of the month/half year for all their schemes on its website www.tatamutualfund.com and on the website of AMFI 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 and 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 and Hindi, disclosing the hosting of the half yearly statement of the schemes portfolio on the AMC's website www.tatamutualfund.com and on the website of AMFI (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.
TATA EQUITY SAVINGS FUND

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 in the format specified in Twelfth Schedule of SEBI (Mutual Funds) Regulations 1996.

Tata Mutual Fund / Tata Asset Management Ltd shall publish an advertisement disclosing the hosting of such financial results on their website, in at least 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.

Annual Report

Annual report or Abridged Summary, in the format prescribed by SEBI, will be hosted on AMC’s website www.tatamutualfund.com and on the website of AMFI 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.

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

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) and on the website of AMFI (www.amfiindia.com).

Associate Transactions

Please refer to Statement of Additional Information (SAI).

Disclosure of Derivatives


Investor services

The AMC has designated an Investor Relations Officer to look into investor grievances regarding deficiencies, if any, in the services provided by the Registrars or the Investor Service Centres.

Name of the Investor Relations Officer:

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

The AMC will have the discretion to change the Investor Relations’ Officer depending on operational necessities and in the overall interest of the fund.

Taxation

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors with respect to the specific amount of tax and other implications arising out of his or her participation in the 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.

Following is the tax treatment for income arising from investment in the 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.

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<tr>
<th>Type of Investor</th>
<th>Withholding tax rate</th>
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<tr>
<td>Resident</td>
<td>10%*</td>
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<tr>
<td>NRI</td>
<td>20%**</td>
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* 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 May14, 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**

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<th>Resident Investors/NRI’s $</th>
<th>Domestic Company @</th>
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<tbody>
<tr>
<td>Tax on Capital Gains (Payable by the Investors)</td>
<td>Rate of Tax</td>
<td>Rate of Tax</td>
</tr>
<tr>
<td>Capital Gains:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term</td>
<td>10%*</td>
<td>10%*</td>
</tr>
<tr>
<td>Short Term</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>

*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:

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

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.

**Important**

However in case the annual average of investment in equity shares of domestic companies by the scheme falls below 65% of the investible funds, then the scheme will be classified as Non-Equity Oriented Fund for the purpose of taxation. The tax implication on Non-Equity Oriented Fund is given below:
Tax on Capital Gains (Payable by the Investors)

<table>
<thead>
<tr>
<th>Rate of Capital Gain Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual/ HUF $</td>
</tr>
<tr>
<td>Domestic Company @</td>
</tr>
<tr>
<td>NRI $</td>
</tr>
</tbody>
</table>

**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%/15%^^/15%^^^/15%^^^^
- 30%^ NRI

**Long Term Capital Gain**
- (Units held for more than 36 months)
- After Providing Indexation
  - 20% Individual/HUF
  - 20% Domestic Company
  - Listed - 20% NRI
  - Unlisted - 10% Unlisted

$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.

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 Withholding 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.

C. COMPUTATION OF NAV

Net Asset Value ("NAV") of the Units shall be determined daily as of the close of each Business Day on which the Bombay Stock Exchange (BSE) is open.

NAV shall be calculated in accordance with the following formula:

\[
\text{NAV} = \frac{\text{Market Value of Scheme's Investments + Accrued Income + Receivables + Other Assets - Accrued Expenses - Payables - Other Liabilities}}{\text{Number of Units Outstanding}}
\]

The computation of Net Asset Value, valuation of Assets*, computation of applicable Net Asset Value (related price) for ongoing Sale, Redemption, Switch and their frequency of disclosure shall be based upon a formula in accordance with the Regulations and 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 NAVs of the fund shall be rounded off upto four decimals.

Due to difference in the expense ratio, the NAV of each option of Direct Plan will be different from the NAV of each option of Regular Plan. Similarly due to dividend payout, the NAV of Dividend Option will be different from the NAV of Growth option.

The valuation of investments shall be based on the principles of fair valuation specified in the Schedule VIII of the SEBI (Mutual Funds) Regulations, 1996 and guidelines issued by SEBI /AMFI from time to time. * Please refer Para V. of SAI on ‘Investment valuation norms for securities & other assets for details.

Each option of the Regular Plan & Direct Plan will have a separate NAV.
IV. FEES AND EXPENSES

A. NEW FUND OFFER (NFO) EXPENSES

The scheme has been repositioned as Tata Equity Savings Fund w.e.f July 27, 2015. Subsequently the change of fundamental attribute was approved by Trustees on 21st July '2017 & on 04th December 2017. Further, in response to SEBI circular on Categorisation and Rationalisation of Schemes dated October 6, 2017, the scheme name has been changed to Tata Equity Savings Fund with effect from 03rd May 2018.

For Tata Monthly Income Fund (initial name of the scheme) during the new fund offer period i.e. from 19th March, 1997 to 2nd May, 1997. The new fund offer expenses were 3.70% (were borne by the scheme) of the resources raised and has been fully amortized. Thus for every Rs.10 invested, entire Rs.10/- (subject to entry load) was available for investment by the scheme.

B. ANNUAL SCHEME RECURRING EXPENSES

A. Fees & Expenses:

The maximum recurring expenses of the Scheme is estimated below:

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

* Excluding Goods & Services 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**:

a) on the first Rs.500 crores of the daily net assets: 2.25%
b) on the next Rs.250 crores of the daily net assets: 2.00%
c) on the next Rs.1250 crores of the daily net assets: 1.75%
d) on the next Rs.3000 crores of the daily net assets: 1.60%
e) on the next Rs.5000 crores of the daily net assets: 1.50%
f) 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.
g) on the balance of the assets: 1.05%
C. LOAD STRUCTURE

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 Goods & Services 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.

The Load Structure of the Scheme is given hereunder:

<table>
<thead>
<tr>
<th>Type of Load</th>
<th>Load chargeable (as % of NAV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry Load</td>
<td>N.A</td>
</tr>
<tr>
<td>Exit Load</td>
<td>Redepmption/Switch-out/SWP/STP on or before expiry of 90 days from the date of allotment: If the withdrawal amount or switched out amount is not more than 12% of the original cost of investment- NIL</td>
</tr>
<tr>
<td></td>
<td>Redepmption/Switch-out/SWP/STP on or before expiry of 90 days from the date of allotment: If the withdrawal amount or switched out amount is more than 12% of the original cost of investment- 0.25% of NAV</td>
</tr>
<tr>
<td></td>
<td>Redepmption/Switch-out/SWP/STP after expiry of 90 days from the date NIL of allotment- NIL</td>
</tr>
<tr>
<td></td>
<td>Unitholders will have the facility to withdraw maximum upto 12% of original cost of investment under Systematic Withdrawal Plan (SWP), Systematic Transfer Plan (STP) and Redemption/Switch-out without an exit load on First in First Out Basis.</td>
</tr>
</tbody>
</table>

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 also may 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.
D. TRANSACTION CHARGES

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 SIPs, 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 3 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 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 have also the option to either opt in or opt out of levying transaction charge based on type of the product.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

This section shall contain the details of penalties, pending litigation, and action taken by SEBI and other regulatory and Govt. Agencies.

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. - NIL

2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to shareholders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed. - NIL

3. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company were/ are a party. The details of the violation shall also be disclosed. - NIL

4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed. - NIL

5. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed. – NIL

The contents of the Scheme Information Document including figures, data, yields, etc. have been checked and are factually correct.

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

Note: The demerger of Tata Monthly Income Fund from Tata Income Fund was approved by the Trustee Company on September 13, 2002, subsequently the change of fundamental attributes including nomenclature as Tata Regular Savings Equity Fund was approved by the trustees on December 12, 2014.Subsequently the change of fundamental attribute was approved by Trustees on 21st July '2017 & on 04th December 2017. Further, in response to SEBI circular on Categorisation and Rationalisation of Schemes dated October 6, 2017, the scheme name has been changed to Tata Equity Savings Fund.

By order
Board of Directors
Tata Asset Management Limited.

Place: Mumbai
Date: 20/05/2020

Authorised Signatory