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.

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after 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.

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This Scheme Information Document is dated 30 January, 2020

<table>
<thead>
<tr>
<th>Mutual Fund</th>
<th>AMC</th>
<th>Trustee</th>
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</thead>
<tbody>
<tr>
<td>Tata Mutual Fund</td>
<td>Tata Asset Management Ltd.</td>
<td>Tata Trustee Company Ltd.</td>
</tr>
<tr>
<td>1903, B-Wing, Parinee Crescenzo, G-Block, BKC, Bandra (East), Mumbai - 400 051</td>
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<td>1903, B-Wing, Parinee Crescenzo, G-Block, BKC, Bandra (East), Mumbai - 400 051</td>
</tr>
</tbody>
</table>

This product is suitable for investors who are seeking:

- Long Term Capital Appreciation.
- Predominant investment in equity/equity related instruments of small cap companies.

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

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**HIGHLIGHTS / SUMMARY OF THE FUND**

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<td>Type of Scheme</td>
<td>An Open Ended Equity Scheme predominantly investing in small cap stocks.</td>
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<td>Category</td>
<td>Small Cap Fund</td>
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**Investment Objective**

The investment objective of the scheme is to generate long term capital appreciation by predominantly investing in equity and equity related instruments of small cap companies. 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.

**Definition of Small Cap Companies**

Small Cap companies are those companies which are classified as small cap companies by Securities and Exchange Board of India (SEBI) or Association of Mutual Funds in India (AMFI). At present Small Cap: 251st company onwards in terms of full market capitalization.

**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. Under normal circumstances the AMC shall dispatch the redemption proceeds within 10 business days from date of receipt of request from the Unit holder.

**Benchmark**

Nifty Small cap 100 TRI Index

**Transparency of operation / NAV Disclosure**

Determination of Net Asset Value (NAV) on all business days.

The NAV of the scheme will be available at all investor service center of the AMC. The AMC shall also endeavor to have the NAV published in 2 daily newspapers. The AMC will also declare the Net Asset Value of the scheme on every business day on AMFI’s website www.amfiindia.com and also on the AMC’s website i.e. www.tatamutualfund.com by 11 p.m.

The monthly portfolio/ Half Yearly portfolio of the Scheme shall be available in a user-friendly and downloadable format on the www.tatamutualfund.com on or before the tenth day of succeeding month/half year.

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.

### Investment Plans:

<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>
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<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 Plan</td>
<td>Direct Plan</td>
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<td>3</td>
<td>Not mentioned</td>
<td>Regular Plan</td>
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<td>5</td>
<td>Direct Plan</td>
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<td>Direct Plan</td>
</tr>
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<td>6</td>
<td>Direct Plan</td>
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</tr>
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<td>Regular Plan</td>
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<tr>
<td>8</td>
<td>Mentioned</td>
<td>Not Mentioned</td>
<td>Regular Plan</td>
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</tbody>
</table>

**Default Plan:** Investors are requested to note the following scenarios for the applicability of “Direct Plan (application not routed through distributor) or Regular Plan(application routed through distributor)” for valid applications received under the plan of the scheme.
In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

<table>
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<th>Investment Options:</th>
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<tr>
<td><strong>Regular Plan (For applications routed through Distributors)</strong></td>
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<tr>
<td>• Growth Option</td>
</tr>
<tr>
<td>• Dividend Option</td>
</tr>
<tr>
<td><strong>Direct Plan (For applications not routed through Distributors)</strong></td>
</tr>
<tr>
<td>• Growth Option</td>
</tr>
<tr>
<td>• Dividend Option</td>
</tr>
</tbody>
</table>

Dividend option has sub-options of Dividend Payout, Dividend Reinvestment. Dividend Sweep facility also available for investors who opt for Dividend Reinvestment Option.

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

**Default Option:** Investor should appropriately tick the ‘option’ (dividend or growth) and sub-options (dividend payout, dividend reinvestment) in the application form while investing in the Scheme(s). 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 of the scheme. 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 dividend reinvestment sub-option.

**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 (for investors of non-electronic mode) within the scheme at the applicable ex-dividend NAV rate.

**Entry Load (During NFO): N.A.**

Exit Load:
1) NIL - Redemption/ Switch-out/SWP/STP on or before expiry of 12 Months from the date of allotment: If the withdrawal amount or switched out amount is not more than 12% of the original cost of investment. 2) 1% - Redemption/ Switch-out/SWP/STP on or before expiry of 12 Months from the 1% date of allotment: If the withdrawal amount or switched out amount is more than 12% of the original cost of investment. 3) NIL - exemption/Switch-out/SWP/STP after expiry of 12 Months from the date of allotment.

**Taxes (such as Capital Gain tax, STT, etc.) would be applicable for switch transaction (switch with/without exit load) as per the prevailing Income Tax Laws. Kindly refer Taxation section for further details.**

**Minimum subscription amount under each Scheme**

Minimum subscription amount for each plan i.e. Direct Plan and Regular Plan:
Rs 5,000/- and in multiple of Re.1/- thereafter

**Additional Investment:** Rs 1,000/- and in multiple of Re 1/- thereafter.

Minimum Redemption amount will be Rs.500 or 50 units or Folio balance whichever is lower

**Duration of the scheme**

The scheme, being an open ended in nature, have perpetual duration.

- A Mutual Fund - sponsored by Tata Sons Limited (TSL) and Tata Investment Corporation Limited (TICL).
- The Scheme are managed by Tata Asset Management Limited (TAML).
- Earnings of the Scheme is exempt from income tax under Section 10(23D) of the Income Tax Act, 1961.
- **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

Standard 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(s) 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(s) will achieve its objective.
- As with any investment in stocks, shares and securities, the NAV of the Units under this Scheme(s) can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the previous Scheme, the Sponsors or its Group / Affiliates / AMC / Mutual Fund is not indicative of and does not guarantee the future performance of the Scheme(s).
- Investment in equity and equity related securities including option contracts involve high degree of risks and investors should not invests in the scheme 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 Small Cap 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 Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully and consult their Tax and Investment Advisor before investing in the Scheme.
- Tata Small Cap Fund is not guaranteed or assured return scheme.

Scheme Specific Risk Factors:

Small-cap stocks are generally illiquid in terms of trading volumes; investors should understand that liquidity risks in these stocks are higher and may hamper the ability of the scheme to pay redemption proceeds in time.

While small cap companies may offer substantial opportunities for capital appreciation, there are also at least commensurate risks. Historically, these companies have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities, lack of transparency and the greater sensitivity of smaller companies to changing economic conditions.

In addition, small-cap companies may lack depth of management, be unable to generate funds necessary for growth or development, or be developing or marketing new products or services for which markets are not yet established and may never become established. They could also suffer from disadvantages such as outdated technology, lack of bargaining power with suppliers, low entry barriers and inadequate management depth.

Risk Associated with underlying asset:

The price of the 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 maximise the returns by actively investing in equity securities and utilising debt and money market instruments as a defensive investment strategy.

Investment in Equity & Equity related instruments are volatile and prone to fluctuations on a 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 capital markets. Investment in equity and equity related instrument including derivative contracts involve high degree of risks as compare to investment in debt & money market instruments.

Investment in debt instruments are subject to the risk of an issuers inability to meet interest and principal payments on its obligations and market perception of the credit worthiness of the issuer. Changes in the interest rate may also affect the price of the debt instrument(s) and ultimately schemes net asset value.

Derivative products are leveraged instruments. Derivatives require maintenance of adequate controls and the ability to assess the risk that a derivative add to the portfolio and the ability to forecast the price of securities being hedged and interest rate movement correctly. It can provide disproportionate gains as well as disproportionate losses to the investors.

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities.

The price of securities may also be affected generally by factors like foreign investments, currency exchange rates, change in the Government and Reserve Bank of India Policy, Taxation, Political or other developments, closure of stock exchange 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 and investor should not invest in the scheme unless they can afford to take the risks.
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 is 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 the Scheme’s investment portfolio.

Risk associated with Short Selling

The Scheme may enter into short selling transactions, subject to SEBI and RBI Regulations. Short-selling is the sale of shares that the seller does not own at the time of trading. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock he shorted and returns the stock to close out the borrowing. If the price of the stock has fallen, he can buy the stock back for less than he received for selling it and profits from it (the difference between higher short sale price and the lower purchase price). However, Short positions carry the risk of losing money and these losses may grow theoretically unlimited if the stock price increases without limit and shall result into major losses in the portfolio.

Example:

A scheme 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 scheme 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 scheme’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 scheme would participate in stock lending would be:

1. There is a holding of security e.g. of XYZ Ltd in the scheme 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 scheme 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 scheme 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 scheme and helps to enhance the scheme returns.

c) If considering the above and other factors all considered in totality, such activity is in the interest of unitholders in the scheme.

Risk Factors Associated with Investments in REITs and InvITs:

- **Market Risk**: REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager’s will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.
• Liquidity Risk: As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.

• Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.

• Regulatory/Legal Risk: REITs and InvITs being new asset classes, rights of unit holders such as right to information etc. may differ from existing capital market asset classes under Indian Law.

The above are some of the common risks associated with investments in REITs & InvITs. Investment results may vary substantially on a monthly, quarterly or annual basis.

Risk Associated with Debt Instruments

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.

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.

Securitised Debt:
Securitized Debt such as Mortgage Backed Securities (“MBS”) or Asset Backed Securities (“ABS”) is a financial instrument (bond) whose interest and principal payments are backed by an underlying cash flow from another asset. Asset Securitization is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitization involves sale of specific receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (promissory notes, participation certificates or other debt instruments) also referred to as “Securitized Debt” to the investors evidencing the beneficial ownership of the investors in the receivables. The financial instruments are rated by an independent credit rating agency.

Risks Associated with Securitised Debt

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

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

Limited Recourse and Credit Risk: Certificates issued on investment in securitized debt represent a beneficial interest in the underlying receivables and there is no obligation on the issuer, seller or the originator in that regard. Defaults on the underlying loan can adversely affect the pay outs to the investors and thereby, adversely affect the NAV of the Scheme. While it is possible to repossess and sell the underlying asset, various factors can delay or prevent repossess and the price obtained on sale of such assets may be low.

Bankruptcy Risk: If the originator of securitized debt instruments in which the Scheme invests is subject to bankruptcy proceedings and the court in such proceedings concludes that the sale of the assets from originator to the trust was not a ‘true sale’, then the Scheme could experience losses or delays in the payments due. Normally, care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a ‘true sale’.
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 completely. However 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 for Equity Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Risk</td>
<td>A periodic review of the liquidity position of each security is conducted (market capitalization, average volume in the market vis-à-vis portfolio holding).</td>
</tr>
<tr>
<td>Concentration Risk</td>
<td>This risk cannot be mitigated in totality however, regulatory as well as internal industry specific limits are adhered to so as to diversify and minimize concentration risk (other than in sector funds).</td>
</tr>
<tr>
<td>Specific Risk</td>
<td>Investments are made in a pre-approved universe of securities based on strong fundamental research. New securities are added with the approval of the Investment Committee.</td>
</tr>
<tr>
<td>Performance Risk</td>
<td>A periodical review of scheme performance vis-à-vis the benchmark index as well as peer group is conducted.</td>
</tr>
<tr>
<td>Regulatory Risk</td>
<td>Online monitoring of various exposure limits are carried out through the Front Office System. As a further step, manual controls are also implemented.</td>
</tr>
</tbody>
</table>
Risk Mitigation measures for Debt and related Investments:

<table>
<thead>
<tr>
<th>Nature of Risk</th>
<th>Mitigation Measures for Debt Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Risk</td>
<td>• There is a strong focus on investing in quality paper at the time of portfolio construction</td>
</tr>
<tr>
<td></td>
<td>• Portfolio exposure is spread over various maturity buckets so as to be 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 limits are maintained</td>
</tr>
<tr>
<td></td>
<td>• Rating wise exposure limits are maintained</td>
</tr>
<tr>
<td></td>
<td>• Periodically portfolios are reviewed by the Board of the AMC</td>
</tr>
<tr>
<td>Interest Rate Risk</td>
<td>• A close watch on market events is maintained</td>
</tr>
<tr>
<td></td>
<td>• Duration management is actively followed</td>
</tr>
<tr>
<td></td>
<td>• Portfolio exposures are spread over various maturities</td>
</tr>
<tr>
<td>Performance Risk</td>
<td>• A periodical review of scheme performance vis-à-vis the benchmark index as well as peer group is conducted</td>
</tr>
</tbody>
</table>

Risk Control / Mitigation measures for Debt and related Investments:

Risk Controls for Securitised Debt

1. Risk profile of securitized debt vis a vis risk appetite of the scheme:

Securitized Debt is a financial instrument (bond) whose interest and principal payments are backed by an underlying cash flow from another asset. In line with the investment strategy of the Scheme and considering that there would be no intermediate redemption pressures for the Fund Manager, the Scheme may take exposure to rated Securitized Debt with the intent to enhance portfolio yield without compromising on credit quality.

Further as a prudent measure of risk control, Investment in Securitized Debt will not exceed 50% of the debt exposure of the Scheme.

2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc.

The evaluation parameters of the originators are as under:

- Track record
- Willingness to pay, through credit enhancement facilities etc.
- Ability to pay
- Business risk assessment, wherein following factors are considered:
  - Outlook for the economy (domestic and global)
  - Outlook for the industry
  - Company specific factors

Track record

We ensure that there is adequate past track record of the Originator before selection of the pool including a detailed look at the number of issuances in past, track record of issuances, experience of issuance team, etc. We also look at the credit profile of the Originator for its own debt. We normally invest only if the Originator’s credit rating is at least ‘AA’ (+/- or equivalent) or above by a credit rating agency recognized by SEBI.

Willingness to pay

As the securitized structure has underlying collateral structure, depending on the asset class, historical NPA trend and other pool / loan characteristics, a credit enhancement in the form of cash collateral, such as fixed deposit, bank guarantee etc. is obtained, as a risk mitigation measure.

Ability to pay

This assessment is based on a detailed financial risk assessment.

A traditional SWOT analysis is used for identifying company specific financial risks. One of the most important factors for assessment is the quality of management based on its past track record and feedback from market participants. In order to assess financial risk a broad assessment of the issuer's financial statements is undertaken to review its ability to undergo stress on cash flows and asset quality.

Business risk assessment, wherein following factors are considered:
- Outlook for the economy (domestic and global)
- Outlook for the industry
- Company specific factors
In addition a detailed review and assessment of rating rationale is done including interactions with the company as well as agency.

Typically we would avoid investing in securitization transaction (without specific risk mitigant strategies / additional cash/security collaterals/ guarantees) if we have concerns on the following issues regarding the originator / underlying issuer:

- High default track record/ frequent alteration of redemption conditions / covenants
- High leverage ratios - both on a standalone basis as well on a fated level/ group level. This is very important in case of single borrower loan sell down
- Higher proportion of re-scheduled underlying assets of the pool or loan
- Higher proportion of overdue assets of the pool or the underlying loan
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan

3. Risk mitigation strategies for investments with each kind of originator

Risk Mitigation Strategies

Investments in securitized debt will be done based on the assessment of the originator which is carried out by the Fixed Income team based on the in-house research capabilities as well as the inputs from the independent credit rating agencies.

In order to mitigate the risk at the issuer/originator level, the Fixed Income team will consider various factors which will include:

- Size and reach of the originator
- The infrastructure and follow-up mechanism
- Quality of information disseminated by the issuer/originator; and
- The credit enhancement for different type of issuer/originator
- The originator’s track record in that line of business

4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

Majority of securitized debt investments shall be in asset backed pools wherein the underlying assets could be Medium and Heavy Commercial Vehicles, Light Commercial Vehicles (LCV), Cars, and Construction Equipment, Mortgages etc.

The Fund Manager will invest in securitized debt which are rated ‘AA’ (+/- or equivalent) or above by a credit rating agency recognized by SEBI. While the risks mentioned above cannot be eliminated completely, they may be minimized by considering the diversification of the underlying assets as well as credit and liquidity enhancements.

Table 1: illustrates the framework that will be applied while evaluating investment decision relating to a pool securitization transaction:

<table>
<thead>
<tr>
<th>Characteristics/Type of Pool</th>
<th>Mortgage Loan</th>
<th>Commercial Vehicle and Construction Equipment</th>
<th>CAR</th>
<th>2 wheelers</th>
<th>Micro Finance Pools</th>
<th>Personal Loans</th>
<th>Single Sell Downs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximate Average maturity (in Months)</td>
<td>Up to 120 months</td>
<td>Up to 60 months</td>
<td>Up to 60 months</td>
<td>Up to 60 months</td>
<td>Up to 12 months</td>
<td>Up to 36 months</td>
<td>Case by case basis</td>
<td>Any other class of securitized debt would be evaluated on a case by case basis</td>
</tr>
<tr>
<td>Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)</td>
<td>In excess of 3%</td>
<td>In excess of 5%</td>
<td>In excess of 5%</td>
<td>In excess of 5%</td>
<td>In excess of 10%</td>
<td>In excess of 10%</td>
<td>Case by case basis</td>
<td>Case by case basis</td>
</tr>
<tr>
<td>Average Loan to Value Ratio</td>
<td>95% or lower</td>
<td>100% or lower*</td>
<td>95% or lower</td>
<td>95% or lower</td>
<td>Unsecured</td>
<td>Unsecured</td>
<td>Case by case basis</td>
<td>Case by case basis</td>
</tr>
<tr>
<td>Average seasoning of the Pool</td>
<td>Minimum 3 months</td>
<td>Minimum 6 months</td>
<td>Minimum 6 months</td>
<td>Minimum 6 months</td>
<td>Minimum 1 month</td>
<td>Minimum 2 months</td>
<td>Case by case basis</td>
<td>Case by case basis</td>
</tr>
<tr>
<td>Maximum single exposure range</td>
<td>5%</td>
<td>5%</td>
<td>1%</td>
<td>1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>Case by case basis</td>
<td>Case by case basis</td>
</tr>
<tr>
<td>Average single exposure range %</td>
<td>&lt;5%</td>
<td>&lt;5%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>Case by case basis</td>
<td>Case by case basis</td>
</tr>
</tbody>
</table>

Note: The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

In addition to the framework as per the table above, we also take into account following factors, which are analyzed to ensure diversification of risk and measures identified for less diversified investments:

- Size of the loan: The size of each loan is generally analyzed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
- Average original maturity of the pool: The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.
- Default rate distribution: The Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
- Geographical Distribution: The analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.
- Risk Trancing: Typically, we avoid investing in Securitized debt in the form of sub ordinate tranche, without specific risk mitigant strategies / additional cash / security collaterals/ guarantees, etc.
• Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
• Liquid facility - these parameters will be evaluated based on the asset class as mentioned in the table above
• Structure of the pool of underlying assets - The structure of the pool of underlying assets would be either single asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes

Investment in the Single Loan Securitization would be done based on the assessment of credit risk associated with the underlying borrower as well as the originator. The Fixed Income team will adhere internal credit process and perform a detailed review of the underlying borrower prior to making investments.

5. Minimum retention period of the debt by originator prior to securitization

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenor of the securitization transaction. The Fund will invest in securitized debt that are Compliant with the laws and regulations.

6. Minimum retention percentage by originator of debts to be securitized

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenor and structure of the securitization transaction. The Fund will invest in securitized debt that are compliant with the laws and regulations.

7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund

An investment by the scheme in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a scheme. All investments are made on an arm's length basis without consideration of any investments (existing/potential) in the schemes made by any party related/involved in the transaction. The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme. Normally the issuer who is securitizing instrument is in need of money and is unlikely to have long term surplus to invest in mutual fund scheme.

Furthermore, there is clear cut segregation of duties and responsibilities with respect to Investment function and Sales function. Investment decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme as vis a vis their investment objectives.

8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The risk assessment process for securitized debt, as detailed in the preceding paragraphs, is same as any other credit. The investments in securitized debt are done after appropriate research by credit analyst. The ratings are monitored for any movement.

The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows:
• Fixed Income Team - Risk assessment and monitoring of investment in Securitized Debt is done by a team comprising of Credit team.
• Ratings are monitored for any movement - Based on the cash-flow report and analyst view, periodic review of utilization of credit enhancement shall be conducted and ratings shall be monitored accordingly.
• Wherever the schemes portfolio is disclosed, the AMC may give a comprehensive disclosure of Securitised debt instruments held in line with SEBI requirement.

Note: The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

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 under 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 Scheme 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. Tata Mutual Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.

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 FIUID 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, Mutual 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 of, 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 authorised 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.

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.

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 offshore funds/clients.

Apart from this, the AMC is also managing two offshore schemes named as ‘Tata Offshore India opportunities Scheme’ (TOIOS), and Tata Offshore India Sharia Scheme.

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.
### D. DEFINITIONS & ABBREVIATION

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><strong>“Business Day”</strong> or <strong>“Working Day”</strong>&lt;br&gt;A day other than&lt;br&gt;• Saturday and Sunday&lt;br&gt;• a day on which the Bombay Stock Exchange Limited and/or National Stock Exchange of India Limited are closed&lt;br&gt;• a day on which sale and repurchase of units is suspended by the AMC&lt;br&gt;&lt;br&gt;The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres.</td>
</tr>
<tr>
<td>2.</td>
<td><strong>“Business Hours”</strong>&lt;br&gt;Business hours are from 10.00 A.M. to 3.00 P.M. on any Business Day.</td>
</tr>
<tr>
<td>3.</td>
<td><strong>“BSE”</strong>/<strong>“NSE”</strong>&lt;br&gt;Bombay Stock Exchange /National Stock Exchange</td>
</tr>
<tr>
<td>4.</td>
<td><strong>“Calendar Year”</strong>&lt;br&gt;A Calendar Year shall be 12 full English Calendar months commencing from 1st January and ending on 31st December.</td>
</tr>
<tr>
<td>5.</td>
<td><strong>“Custodian”</strong>&lt;br&gt;HDFC Bank Limited, a bank incorporated in Mumbai with limited liability and includes its successors.</td>
</tr>
<tr>
<td>6.</td>
<td><strong>“Entry Load”</strong>&lt;br&gt;Amount that is paid by the investors at the time of entry / subscription into the scheme.</td>
</tr>
<tr>
<td>7.</td>
<td><strong>“Exit Load”</strong>&lt;br&gt;Amount that is paid by the investors at the time of exit / redemption from the scheme.</td>
</tr>
<tr>
<td>8.</td>
<td><strong>“Derivative Exposure”</strong>&lt;br&gt;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:&lt;br&gt;&lt;br&gt;- Long Futures : Futures Price * Lot Size * Number of Contracts&lt;br&gt;- Short Futures : Futures Price * Lot Size * Number of Contracts&lt;br&gt;- Option Bought : Option Premium Paid * Lot Size * Number of Contracts</td>
</tr>
<tr>
<td>9.</td>
<td><strong>“Day”</strong>&lt;br&gt;Any day as per English Calendar viz. 365 days in a year.</td>
</tr>
<tr>
<td>10.</td>
<td><strong>“Financial Year”</strong>&lt;br&gt;A Financial Year shall be 12 full English Calendar months commencing from 1st April and ending on 31st March.</td>
</tr>
<tr>
<td>11.</td>
<td><strong>“Group”</strong>&lt;br&gt;As defined in sub-clause (ef) of clause 2 of MRTP Act, 1969.</td>
</tr>
<tr>
<td>12.</td>
<td><strong>“IMA”</strong>&lt;br&gt;Investment Management Agreement dated 9th May, 1995, as amended from time to time, between the TTCL &amp; TAML.</td>
</tr>
<tr>
<td>13.</td>
<td><strong>“Investor”</strong>&lt;br&gt;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, an Unit holder shall be deemed to be the investor.</td>
</tr>
<tr>
<td>14.</td>
<td><strong>“Net Asset Value”</strong> or <strong>“NAV”</strong>&lt;br&gt;(a) In case of winding up of the Scheme:&lt;br&gt;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 and liabilities in accordance with the normal accounting policies of the Scheme, but ignoring net distributable income of the current financial year and winding up expenses).&lt;br&gt;&lt;br&gt;(b) Daily for Ongoing Sale/Redemption/ Switch:&lt;br&gt;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.</td>
</tr>
<tr>
<td>15.</td>
<td><strong>“Net Assets”</strong>&lt;br&gt;Net Assets of the Scheme at any time shall be the value of the Scheme’ total assets less its liabilities taking into consideration the accruals and the provisions at that time.</td>
</tr>
<tr>
<td>16.</td>
<td><strong>“Non-Resident Indian” / NRI</strong>&lt;br&gt;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.</td>
</tr>
<tr>
<td>17.</td>
<td><strong>“Permissible Investments”</strong>&lt;br&gt;Investments made on account of the Unitholders of the Scheme in securities and assets in accordance with the SEBI Regulations.</td>
</tr>
<tr>
<td>18.</td>
<td><strong>“Portfolio”</strong>&lt;br&gt;Portfolio at any time shall include all Permissible Investments and Cash.</td>
</tr>
<tr>
<td>19.</td>
<td><strong>“Regulations”</strong>&lt;br&gt;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; Gift Tax Act, 1956, 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.</td>
</tr>
<tr>
<td>20.</td>
<td><strong>“Resident”</strong>&lt;br&gt;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.</td>
</tr>
</tbody>
</table>
21. "Scheme" The offer made by Tata Mutual Fund through this SID, viz., Tata Small Cap Fund, an open ended Equity Scheme.


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. "SID" Scheme Information Document

25. "SAI" Statement of Additional Information

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

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

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

29. "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.

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

33. "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 settlors, and TTCL as the Trustee.

34. "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.

35. "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.

36. "Unitholder" A Unit holder 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.

37. "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.

38. "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 forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) all legal requirements connected with the launching 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) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

For Tata Asset Management Limited

Place: Mumbai
Date: 30-01-2020

Upesh K. Shah
Head-Compliance
**TATA SMALL CAP FUND**

**II. INFORMATION ABOUT THE SCHEME**

This product is suitable for investors who are seeking:

- Long Term Capital Appreciation.
- Predominant investment in equity/equity related instruments of the small cap companies.

*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 Equity Scheme predominantly investing in small cap stocks.

**B. INVESTMENT OBJECTIVE OF THE SCHEME**

The investment objective of the scheme is to generate long term capital appreciation by predominantly investing in equity and equity related instruments of small cap companies. 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 scheme of Tata Mutual Fund:**

As per investment pattern the scheme shall predominantly invest in equity / equity related instruments of companies termed as small cap. At present no open ended scheme of Tata Mutual Fund has mandate to invest predominantly in small cap companies.

Below mentioned is the comparison of the scheme with other open ended equity schemes category of Tata Mutual Fund.

**Comparison with existing scheme:**

<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Asset Allocation Pattern</th>
<th>Primary Investment Focus</th>
<th>No. of Folios as on 31st December '2019</th>
<th>AUM as on 31st December '2018 (Rs. Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Mid Cap Growth Fund</td>
<td>65% to 100% investment in Equity and equity related instruments and up to 35% in debt and money market instruments.</td>
<td>Primary investment focus on equity and equity related securities of well researched growth oriented mid cap stocks. At present we do not have other similar scheme.</td>
<td>76427</td>
<td>773.09</td>
</tr>
<tr>
<td>Tata Large &amp; Mid Cap Fund</td>
<td>Large Cap Equity -35% to 65%, Mid Cap Equity -35% to 65%, Other Equity/Securities-0% to 30%.</td>
<td>Primary focus on investing in equity and equity related instruments of Large- Large Cap Equity - 35% to 65%, Mid Cap Equity -35% to 65%, Other Equity/Securities-0% to 30%. At present we do not have other similar scheme.</td>
<td>194444</td>
<td>1,568.76</td>
</tr>
<tr>
<td>Tata Equity P/E Fund</td>
<td>70% to 100% investment in Equity and Equity related – Companies whose rolling P/E at the time of investment is lower than the rolling P/E of the S&amp;P BSE SENSEX up to 30% in other equities and up to 30% in debt instruments.</td>
<td>Primarily at least 70% of the net assets would be invested in equity shares whose rolling P/E ratio on past four quarter earnings for individual companies is less than rolling P/E of the S &amp; P BSE SENSEX stocks. At present we do not have other similar scheme.</td>
<td>316213</td>
<td>5,178.12</td>
</tr>
<tr>
<td>Tata Large Cap Fund</td>
<td>80% to 100% investment in listed equity &amp; equity related instruments of large and other equity related instrument. 0% to 20% investment in Debt and Money Market instruments.</td>
<td>Primarily investment in equity and equity related instruments of large market cap companies. At present we do not have other similar scheme.</td>
<td>81177</td>
<td>812.52</td>
</tr>
<tr>
<td>Tata Ethical Fund</td>
<td>80% to 100% investment in equity &amp; equity Shariah Complaint companies and 0-20% in other shariah complaint instruments including cash.</td>
<td>Primarily focus on investing in equity and equity related instruments of Shariah complaints listed, to be listed and unlisted securities of companies and in other shariah complaint instruments. At present we do not have other similar scheme.</td>
<td>33088</td>
<td>562.68</td>
</tr>
</tbody>
</table>
## Asset Allocation and Risk Profile

Under normal circumstances, funds of the scheme shall (after providing for all ongoing expenses) be invested as per the indicative asset allocation pattern as given below:

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Indicative allocations (% of net assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity and equity related instruments(^{v}) of small cap companies(^{s})</td>
<td>Minimum</td>
<td>Maximum</td>
</tr>
<tr>
<td>Debt and Money Market Instruments including units of debt &amp; liquid schemes of Tata Mutual Fund</td>
<td>0</td>
<td>35</td>
</tr>
<tr>
<td>Units of REITs and InvITs (^{#})</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>
$ Small Cap companies are those companies which are classified as small cap companies by Securities and Exchange Board of India(SEBI) or Association of Mutual Funds in India (AMFI). At present Small Cap: 251st company onwards in terms of full market capitalization.

^ The Scheme will comply with all the applicable circulars issued by SEBI as regard to exposure to derivatives viz. SEBI Circular no. SEBI/MFD/CIR No. 03/158/03 dated June 10, 2003, no. DNPD/Cir-29/2005 dated September 14, 2005, no. SEBI/IMD/CIR No. 9/10562/07 dated November 16, 2007, no. Cir/IMD/ DF/11/2010 dated August 18, 2010. 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. The exposure to derivatives will not exceed 50% of the net assets of the scheme.

The Scheme may invest upto 50% of the scheme’s debt exposure in domestic securitised debt.

The scheme does not seek to invest in foreign securities.

The Scheme does not seek to participate in repo/reverse repo in corporate debt securities.

The Scheme does not seek to participate in credit default swaps.

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

#A mutual fund may invest in the units of REITs and InvITs subject to the following:

(a) No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and

(b) A mutual fund scheme shall not invest –

i. more than 10% of its NAV in the units of REIT and InvIT; and

ii. more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.

Not more than 20% of the net assets of the scheme can 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.

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 such deviation shall be subjected to 30 days rebalancing period.

Change in Investment Pattern

Investment strategy and pattern may be deviated from time to time, provided such modification is in accordance with the Scheme(s) objective and Regulations as amended from time to time, the intent being to protect the Net Asset Value of the scheme and unitholders’ interests. In case of deviation, the AMC will achieve a normal asset allocation pattern in a maximum period of 30 days. In case deviation in investment pattern in not rebalanced within the period indicated above then justification for such delay in rebalancing of portfolio shall be placed before the investment committee and the reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action.

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. 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 e 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, FPIs, 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 compare 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 of Debt Securities (as on January 17’2020)

<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>5.10-12</td>
</tr>
<tr>
<td>GOI</td>
<td>T-Bill</td>
<td>364 days</td>
<td>5.28-29</td>
</tr>
<tr>
<td>GOI</td>
<td>Short dated</td>
<td>1-3 yrs</td>
<td>6.18-20</td>
</tr>
<tr>
<td>GOI</td>
<td>Long dated</td>
<td>3-5 yrs</td>
<td>6.40-42</td>
</tr>
<tr>
<td>Corporate</td>
<td>AAA</td>
<td>1-3 yrs</td>
<td>6.65-70</td>
</tr>
<tr>
<td>Corporate</td>
<td>AAA</td>
<td>3-5 yrs</td>
<td>7.00-7.05</td>
</tr>
<tr>
<td>Corporate</td>
<td>AA</td>
<td>1-3 yrs</td>
<td>7.25-30</td>
</tr>
<tr>
<td>Corporate</td>
<td>AA</td>
<td>3-5 yrs</td>
<td>7.50-55</td>
</tr>
<tr>
<td>Corporate</td>
<td>CP</td>
<td>3 months</td>
<td>5.80-85</td>
</tr>
<tr>
<td>Corporate</td>
<td>CP</td>
<td>1 year</td>
<td>6.65-70</td>
</tr>
<tr>
<td>Banks</td>
<td>CD</td>
<td>3 months</td>
<td>5.50-55</td>
</tr>
<tr>
<td>Banks</td>
<td>CD</td>
<td>1 year</td>
<td>6.10-15</td>
</tr>
<tr>
<td>Repo</td>
<td></td>
<td></td>
<td>4.95-5.00</td>
</tr>
<tr>
<td>Tri-party Repo</td>
<td></td>
<td></td>
<td>4.95-5.00</td>
</tr>
</tbody>
</table>

D. WHERE WILL THE SCHEME INVEST

The scheme will invest in:

i) Equity and equity related instruments (including derivatives) of companies of small cap.

ii) Equity and equity related instruments of other than small cap companies (which are outside the definition of small cap used in the SID).

iii) Small portion of investible funds in Debt and money market instruments including units of liquid and money market mutual fund schemes of Tata Mutual Fund.

Investment in Equities

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

- Equity shares of listed and to be listed companies;
- Equity Warrants
- Derivatives (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;
- Preference shares/Convertible Preference Shares.

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.
- 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.
- Cash & Cash equivalent like CBLO, Repo, and all money market instruments with residual maturity upto 91 days.
- Units of liquid and debt schemes of Tata Mutual Fund.

Any other like instruments as may be permitted by SEBI/RBI from time to time.

Investment in Hybrid Securities

- Investment in Real Estate Investment Trust (REITs) & Infrastructure Investment Trust (InvITs)

“REIT” or “Real Estate Investment Trust” shall have the meaning assigned in clause (zm) of sub-regulation 1 of regulation 2 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. REITs are companies that own and lease out commercial or residential real estate. The rental incomes from the properties are shared among REIT investors, who are allotted units. These units are tradeable on exchanges.

“InvIT” or “Infrastructure Investment Trust” shall have the meaning assigned in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014. InvITs are similar to REITs, except these own infrastructure assets not real estate.
The securities mentioned above could be listed, to be listed, privately placed, secured, unsecured, rated and unrated. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. Please refer to the Clause “Liquidity & Settlement Risks” under Specific Risk Factors to understand the liquidity risk associated with securities. The moneys collected under this Scheme shall be invested only in transferable securities.

**Investment in Securities of Group Companies**

As per SEBI (Mutual Funds) Regulations 1996, the scheme shall not make any investments in any un-listed securities of associate/ group companies of the Sponsors. The Scheme will also not make investment in privately placed securities issued by associate / group companies of the Sponsors. The Scheme 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 fulfil 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 an 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.

The Scheme shall make investment out of the NFO proceeds only on or after the closure of the NFO period in accordance with the investment objective of the scheme. In the event of non-receipt of the minimum subscription amount, the Trustee Company shall ensure that the entire amount collected as subscription money is refunded to the Unit holders notwithstanding any loss arising out of such investment during the interim period.

**Trading in Derivatives by the Scheme**

**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>Scenario 1</th>
<th>Scenario 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the date of Settlement, the future price (closing spot price of the index)</td>
<td>On the date of Settlement, the future price (closing spot price of the index)</td>
</tr>
<tr>
<td>10200</td>
<td>10050</td>
</tr>
<tr>
<td>Profit for the scheme (10200-10110) *100°75</td>
<td>Loss for the scheme (10050-10110) *100°75</td>
</tr>
<tr>
<td>675000</td>
<td>-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

| Say, Scheme buys 1 lot of Nifty Index | 75 Units |
| Spot price | 10000 |
| Strike price | 10100 |
| Premium | 100 |
| Total amount paid as premium (Rs.) (100X75) | Rs.7500 |

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

| Current Premium at the time of reversal | 200 |
| Net Gain Rs. (200-100) | 100 |
| Total gain on 1 lot of Nifty (75 units) Rs.(75x100) | Rs.7500 |

#### Scheme has reversed the position before expiry of the contract

| Nifty Spot on expiry | 10275 |
| Premium Paid(Rs.) | 100 |
| Exercise price | 10100 |
| Receivables on Exercise (10275-10100) | 175 |
| Total gain (Rs.) (175 -100) *75 | Rs.5625 |

#### Scenario 2: The Nifty Index moves to the level below 10100

| Scheme does not gain anything but the loss to the scheme (limited to the actual premium paid) | Rs. 7500 |

#### Put Option

| Say, Scheme buys 1 lot of Nifty Index | 75 Units |
| Spot Price | 10000 |
| Strike Price | 9450 |
| Premium | 50 |
| Total Amount Paid by the Scheme (75*50) | 3750 |

#### Scenario 1: Nifty Index goes down

| Nifty Spot | 9300 |
| Current Premium at the time of reversal | 80 |
| Premium Paid (Rs.) | 50 |
| Net Gain (Rs.80-50) | 30 |
| Total Gain on 1 lot of Nifty (Rs.) (75x30) | Rs.2250 |

#### Scheme has reversed the position at expiry

| Nifty Spot | 9375 |
| Premium Paid (Rs.) | 50 |
| Exercise Price | 9450 |
| Gain on Exercise | 75 |
**TATA SMALL CAP FUND**

<table>
<thead>
<tr>
<th>Total Gain Rs.(75-50)*75</th>
<th>Rs.1875</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 2: If Nifty Index Stays over the Strike price of 9450</td>
<td></td>
</tr>
<tr>
<td>Say Nifty Spot</td>
<td>9500</td>
</tr>
<tr>
<td>Net Loss to the Scheme will be premium paid</td>
<td>Rs.3750</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.

The scheme may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time and as may be permitted under the SEBI (Mutual Fund) Regulations.

**Interest Rate Swaps:** An Interest Rate Swap is an agreement whereby two parties agree to exchange periodic interest payments. The amount of interest payments exchanged is based on some predetermined principal, called notional principal amount. The amount each counterparty pays to the other upon periodic interest rate multiplied by the notional principal amount. The only amount that is exchanged between the parties is the interest payment, not the notional principal amount.

Example: Use of IRS

The fund is reasonably invested, and the view of the fund manager is that interest rates are expected to move up due to certain negative events which have occurred. In such cases the scheme can enter into a paid position (IRS) where the scheme will pay a fixed rate for a specified maturity and receive the floating rate of interest. This is illustrated below:

Example A: Use of IRS

Assuming the Scheme is having 10% of the portfolio in cash. The fund manager has a view that the interest rate scenario is bearish and call rates are likely to spurt over the next three months. The fund manager would therefore prefer to pay fixed rate of return on his cash, which he is lending in the overnight call market. In other words, he would like to move to a 91 days floating interest rate from overnight fixed rate.

1. Say Notional Amount: Rs. 2 crores
2. Benchmark: NSE MIBOR
3. Tenor: 91 Days
4. Fixed Rate: 9.90%
5. At the end of 91 days;
6. The Scheme pays: fixed rates for 91 days is 9.90%
7. TMF receives: compounded call rate at 10.25% for 91 days.

In practice, however the difference of the two amounts is settled. Here the Scheme receives Rs. 2,00,00,000 x 0.35% x 91 / 365 = 17,452. The players in IRS are scheduled commercial banks, primary dealers, corporate, mutual funds and All India Financial Institutions.

Example B: Use of IRS

Assuming the Scheme is having 10% of the portfolio in cash. The fund manager has a view that the interest rate scenario is soft and call rates are unlikely to spurt over the next three months. The fund manager would therefore prefer to receive a higher rate of return on his cash, which he is lending in the overnight call market. In other words, he would like to move to a 91 days fixed interest rate from overnight floating rate.

1. Say Notional Amount: Rs. 2 crores
2. Benchmark: NSE MIBOR
3. Tenor: 91 Days
4. Fixed Rate: 10.25%
5. At the end of 91 days;
6. The Scheme pays: compounded call rates for 91 days is 9.90%
7. TMF receives: Fixed rate at 10.25% for 91 days.

In practice, however the difference of the two amounts is settled. Here the Scheme receives Rs. 2,00,00,000 x 0.35% x 91 / 365 = 17,452. The players in IRS are scheduled commercial banks, primary dealers, corporate, mutual funds and All India Financial Institutions.

**Forward Rate Agreements (FRA):**

This is an agreement between two counterparties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date based on the notional amount, for an agreed period.

Illustration:

Assume that on December 1, 2019, the 30-day commercial paper (CP) rate is 7.75% and the Scheme has an investment in a CP of face value Rs. 50 crores, which is going to mature on June 30, 2019. If the interest rates are likely to remain stable or decline after December 31, 2019, and if the fund manager, who wants to re-deploy the maturity proceeds for 1 more month, does not want to take the risk of interest rates going down, he can then enter into a following forward rate agreement (FRA) say as on December 31, 2019:

He can receive 1 X 2 FRA on December 31, 2019 at 7.75% (FRA rate for 1 month lending in 2 months time) on the notional amount of Rs.50 crores, with a reference rate of 30 day CP benchmark. If the CP benchmark on the settlement date i.e. December 31, 2019 falls to 7.50%, then the Scheme
receives the difference 7.75 - 7.50 i.e. 25 basis points on the notional amount Rs. 50 crores for 1 month. The maturity proceeds are then reinvested at say 7.50% (close to the benchmark). The scheme, however, would have locked in the rate prevailing on December 31, 2019 (7.75%) as it would have received 25 basis points more as settlement amount from FRA. Thus, the fund manager can use FRA to mitigate the reinvestment risk.

In this example, if the rates move up by 25 basis points to 8% on the settlement date (December 31, 2019), the Scheme loses 25 basis points but since the reinvestment will then happen at 8%, effective returns for the Scheme is unchanged at 7.75%, which is the prevailing rate on December 31, 2019.

With effect From October 01, 2010, the above derivative exposure limits shall be subject to following Exposure Limits as specified by SEBI vide its Circular No. Cir / IMD / DF / 11 / 2010 dated August 18, 2010:

1. The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.
5. Exposure due to hedging positions shall not be included in the above mentioned limits subject to the following:
   a) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
   b) Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
   c) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
   d) The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
7. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

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<em>Lot Size</em>Number of Contracts</td>
</tr>
<tr>
<td>Short Future</td>
<td>Futures Price<em>Lot Size</em> Number of Contracts</td>
</tr>
<tr>
<td>Option Bought</td>
<td>Option Premium Paid<em>Lot Size</em> Number of Contracts.</td>
</tr>
</tbody>
</table>

In Addition to the above, SEBI has also prescribed following derivative position limits:

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*</td>
</tr>
<tr>
<td>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**</td>
</tr>
<tr>
<td>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.

Additional position limit for hedging
In addition to the position limits as mentioned above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:

<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 limit 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 scheme 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.

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

E. THE INVESTMENT STRATEGIES

The scheme seeks to achieve its investment objective by predominantly investing in equity /equity related instruments of small cap companies as well a small portion in equity and equity related instruments of other than small cap companies.

The focus of this Scheme is to provide investors a reasonably diversified portfolio of small-cap stocks.

Definition of Small Cap Companies

Small Cap companies are those companies which are classified as small cap companies by Securities and Exchange Board of India(SEBI) or Association of Mutual Funds in India (AMFI). At present Small Cap: 251st company onwards in terms of full market capitalization.

The fund manager may invest across sectors, take cash calls, change allocation between the equity and fixed-income asset classes in a dynamic manner within the permitted limits and use derivatives for trading, hedging and portfolio balancing.

The Scheme may also invest some portion of the investible funds in debt and money market instruments including liquid and debt schemes of Tata Mutual fund as well as in hybrid instruments like REITs & InvITs.

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.

Portfolio Turnover

“Portfolio Turnover” is the term used by any Mutual Fund for measuring the amount of trading that occurs in a Scheme’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 Scheme 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 Scheme view on a scrip, etc.

Portfolio Turnover Ratio as on 31st December 2019 (for 13 months) is 0.13 Times.

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 predominantly investing in small cap stocks.

(ii) Investment Objective

The investment objective of the scheme is to generate long term capital appreciation by predominantly investing in equity and equity related instruments of small cap companies.

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.

(iii) Investment Pattern and Risk Profile: Refer Section C for detailed asset allocation and risk profile of the scheme.

(iv) 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.
- Aggregate fees and expenses chargeable to the Scheme. (Refer section “IV FEES AND EXPENSES” for further details)
- 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 SmallCap 100 TRI Index 100.

The Nifty SmallCap 100 TRI Index is designed to reflect the behaviour and performance of the small capitalised segment of the financial market. The index includes all companies from Nifty small cap 50 and remaining companies are selected based on average daily turnover from top 150 companies selected based on full market capitalization from Nifty small cap 250 index. Since the scheme shall invest in small cap companies, Nifty SmallCap 100 TRI index would be an ideal benchmark for the scheme and is most suitable 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 (in years)</th>
<th>Other Scheme Under His Management</th>
<th>Experience (Assignments held during last 10 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chandraprakash Padiyar</td>
<td>40</td>
<td>MBA-Finance, Cleared all 3 levels of CFA Program from The CFA Institute, USA</td>
<td>18</td>
<td>Tata Hybrid Equity Fund, Tata Large &amp; Mid Cap Fund and Tata Offshore India Opportunities Scheme.</td>
<td>Currently Fund Manager of Schemes - Reporting to Chief Investment Officer-Equities. From April 2007 to August 2018 with Alchemy Capital Management Pvt. Ltd. where he was ‘Director and Portfolio Manager’ for Onshore Long only strategies. Reporting to Chief Investment Officer.</td>
</tr>
<tr>
<td>Satish Chandra Mishra</td>
<td>37</td>
<td>B.Tech IIT (BHU) Varanasi, PGDM (TAPMI)</td>
<td>13</td>
<td>Tata Resources &amp; Energy Fund, Tata Hybrid Equity Fund</td>
<td>Since July 2017 till date with Tata Asset Management Ltd. Reporting to Chief Investment Officer Equities. Responsibilities held: Assistant Fund Manager &amp; Research Analyst. From May 2012 to July 2017 with HDFC Securities Ltd as Assistant Vice President, tracking Oil &amp; Gas and Chemicals. Reporting to Head of Research. From June 2008 to May 2012 with PINC Research as Research Analyst, tracking Oil &amp; Gas, Fertilisers and Engineering sectors. Reporting to Head of Research. He has also worked as an Assistant Engineer at Indian Farmers Fertilizer Cooperative Ltd. (IFFCO) for more than two years</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 (Tri Party Repo).

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 unrated debt instruments including commercial papers, except Government Securities and other money market instruments: Provided that Mutual Fund Schemes may invest in unrated 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 the SEBI from time to time:

Provided further that mutual fund schemes shall comply with the norms under this clause within the time and in the manner as may be specified by the SEBI:

Provided further that the norms for investments by mutual fund schemes in unrated debt instruments shall be specified by the SEBI from time to time”.

Note:

a) SEBI vide circular dt. 1st October 2019 has issued following guidelines wrt investment in unrated debt & money market instruments

b) Mutual fund scheme may invest in unrated non-convertible debentures (NCDs) that have a simple structure (i.e with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

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

<table>
<thead>
<tr>
<th>Timeline (As on)</th>
<th>Maximum investment in unrated NCDs as % of the debt portfolio of the scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/03/2020</td>
<td>15% of debt portfolio</td>
</tr>
<tr>
<td>30/06/2020</td>
<td>10% of debt portfolio</td>
</tr>
</tbody>
</table>
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.
   b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

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. The scheme shall not make any investment in:
   a) any security issued by an associate or group company of the sponsor.
   b) any security issued by way of private placement by an associate or group company of the sponsor.
   c) any unlisted security of an associate or group company of the sponsor; or
   d) any security issued by way of private placement by an associate or group company of the sponsor.
   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) Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:
   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.

*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.

10. Pending deployment of funds of a Scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to SEBI circular no. SEBI/IMD/CIR No. 1/91171/07 dated April 16, 2007.

   a. The term ‘short term’ for parking of funds shall be treated as a period not exceeding 91 days.
   b. Such deposits shall be held in the name of each Scheme.
   c. Each Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
   d. Each Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
   e. Trustees/AMC will ensure that no funds of a scheme is parked in Short term deposit of a bank which has invested in that scheme and the bank in which a scheme has short term deposit do not invest in that scheme until the scheme has short term deposit with such bank.
   f. The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market.

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

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

13. 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.

14. 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.

15. Participation in Repo in Corporate Debt Securities is subject to the following restriction:
   • Gross exposure to corporate bond repo transaction should be not more than 10% of the net asset of the scheme.
   • The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme.
   • The Scheme will participate in repo transactions only in AA and above rated corporate debt securities.
   • The Scheme may borrow through repo transactions (for redemption/dividend payout) only if the tenor of the transaction does not exceed a period of six months and aggregate borrowing is not more than 20% of net assets of the Scheme.

16. A mutual fund may invest in the units of REITs and InvITs subject to the following:

   (a) No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and
   (b) A mutual fund scheme shall not invest –
i. more than 10% of its NAV in the units of REIT and InvIT; and
ii. more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer
All investment restrictions shall be applicable at the time of making investment.

The above 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 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

TAML (the AMC) may invest in the scheme(s)/plan(s)/fund(s), either in the initial issue or on an ongoing basis (from the secondary market), such amount, as they deem appropriate. The AMC shall not be entitled to charge any management fees on this investment in the scheme(s) / plan(s) / fund(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

<table>
<thead>
<tr>
<th>Compounded Annualised Returns</th>
<th>Scheme Returns % (as on 31st December 2019)</th>
<th>Benchmark Returns % (as on 31st December 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns for last 1 year</td>
<td>2.56</td>
<td>-8.54</td>
</tr>
<tr>
<td>Returns for last 3 years</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Returns for last 5 years</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Returns since inception</td>
<td>9.28</td>
<td>-5.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year to Year</th>
<th>Scheme Returns (%)</th>
<th>Benchmark Returns (%): Nifty Small cap 100 TRI Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-2019</td>
<td>6.19</td>
<td>14.72</td>
</tr>
<tr>
<td>2017-2018</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2016-2017</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2015-2016</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2014-2015</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Note:
Inception date: 01st November 2018. Returns are for Tata Small cap Fund - Regular Plan- Growth option
Past performance of the scheme may or may not be sustained in future. 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.

K. SCHEMES PORTFOLIOS HOLDINGS


Top 10 holdings by issuer as on 31.12.2019

<table>
<thead>
<tr>
<th>Issuer Name</th>
<th>% of AUM *</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUESS CORP LTD.</td>
<td>5.03</td>
</tr>
<tr>
<td>TUBE INVESTMENTS OF INDIA LIMITED.</td>
<td>4.23</td>
</tr>
<tr>
<td>JMC PROJECTS INDIA LTD.</td>
<td>4.09</td>
</tr>
<tr>
<td>ELANTAS BECK INDIA LTD.</td>
<td>3.93</td>
</tr>
<tr>
<td>BASF INDIA LTD.</td>
<td>3.75</td>
</tr>
<tr>
<td>RAMCO INDUSTRIES LTD.</td>
<td>3.51</td>
</tr>
<tr>
<td>MAHINDRA CIE AUTOMOTIVE LTD.</td>
<td>3.49</td>
</tr>
<tr>
<td>SAREGAMA INDIA LTD.</td>
<td>3.34</td>
</tr>
<tr>
<td>FINOLEX INDUSTRIES LTD.</td>
<td>3.30</td>
</tr>
<tr>
<td>REDINGTON (INDIA) LTD.</td>
<td>3.30</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

Funds Allocation towards various sectors as on 31.12.2019

<table>
<thead>
<tr>
<th>Sectors</th>
<th>% of AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICES</td>
<td>16.30</td>
</tr>
<tr>
<td>INDUSTRIAL MANUFACTURING</td>
<td>15.72</td>
</tr>
<tr>
<td>CONSUMER GOODS</td>
<td>8.78</td>
</tr>
<tr>
<td>ENERGY</td>
<td>8.49</td>
</tr>
<tr>
<td>CHEMICALS</td>
<td>7.70</td>
</tr>
<tr>
<td>AUTOMOBILE</td>
<td>6.09</td>
</tr>
<tr>
<td>CONSTRUCTION</td>
<td>4.09</td>
</tr>
<tr>
<td>CEMENT &amp; CEMENT PRODUCTS</td>
<td>3.51</td>
</tr>
<tr>
<td>FINANCIAL SERVICES</td>
<td>3.50</td>
</tr>
</tbody>
</table>

L. INVESTMENT BY BOARD OF DIRECTORS, FUND MANAGERS AND KEY PERSONNEL

The aggregate investment in the scheme under the following categories as on 31.12.2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Rs. in crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMC’s Board of Directors</td>
<td>0.01</td>
</tr>
<tr>
<td>Fund Manager/Managers of the scheme</td>
<td>0.10</td>
</tr>
<tr>
<td>Other Key Managerial Personnel</td>
<td>0.11</td>
</tr>
</tbody>
</table>
III. UNITS AND OFFER

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

A. NEW FUND OFFER (NFO)

This Section is not applicable as this is an on-going scheme.

B. ONGOING OFFER DETAILS

<table>
<thead>
<tr>
<th><strong>Ongoing Offer Period</strong></th>
<th><strong>Details</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</td>
<td>Tata Smallcap Fund was launched on 19th October 2018. W.e.f 01st November 2018, the scheme was open for ongoing sales &amp; repurchase at NAV based prices. Being existing open-ended scheme, subscription / redemption a facility is available on all business days.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Ongoing price for subscription (purchase)/switch-in (from other scheme/plans of the mutual fund) by investors.</strong></th>
<th><strong>At the applicable NAV.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>This is the price you need to pay for purchase/switch-in.</td>
<td><strong>Ongoing price for redemption (sale) / repurchase / switch outs (to other scheme/plans of the Mutual Fund) by investors.</strong></td>
</tr>
</tbody>
</table>
| **Example:** If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:  
   \[ \text{Rs. 10} \times (1 - 0.02) = \text{Rs. 9.80} \] | At the applicable NAV subject to prevailing exit load, if any.  
The Fund will ensure that the Redemption Price will not be lower than 93% of the NAV and the Purchase Price will not be higher than 107% of the NAV, provided that the difference between Redemption Price and the Purchase Price of the units shall not exceed the permissible limit of 7% of the Purchase Price, as provided for under the Regulations. |

<table>
<thead>
<tr>
<th><strong>Cut off timing for redemptions (sale) and switch outs (to other scheme / plans of the mutual fund) by investor.</strong></th>
<th><strong>Applicable NAV for Subscription / Switch-in</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</td>
<td><strong>Application Size</strong></td>
</tr>
</tbody>
</table>
| **For application amount of Rs. 2 Lacs* & above**  
* Multiple applications (purchase including switch in) Submitted by investor on same day for the same scheme, shall be aggregated at investor level (i.e. First holder / Sole Holder) for determination of Rs. 2 Lacs. | NAV of the day on which the funds are realized upto 3.00 P.M.  
(Subject to transaction being time-stamped upto 3 p.m. on the date of realization of funds). |
| For application amount upto Rs. 2 Lacs | 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. | |

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.

**Redemption /Switch Out:** In respect of application received upto 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.**

Where can the applications for redemption and switch out 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.

Minimum amount for Purchase, Minimum subscription amount for each plan i.e. Direct Plan and Regular Plan:
Redemption and switch out

Rs 5,000/- and in multiple of Re.1/- thereafter

Additional Investment: Rs 1,000/- and in multiple of Re 1/- thereafter.

Minimum Redemption amount will be Rs.500 or 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.

Investment Options:

Regular Plan (For applications routed through Distributors):
1. Growth
2. Dividend

Direct Plan (For applications not routed through Distributors):
1. Growth
2. Dividend

Default Option

If Growth or Dividend Option is not mentioned: Growth

Default Sub-Option: Dividend Reinvestment option

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

The dividend payout for amount less than Rs 250/- will be compulsorily reinvested in the same sub-option at ex-dividend NAV.

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

Default Option: Investor should appropriately tick the „option” (dividend or growth) and sub-options (dividend payout, dividend reinvestment, 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 dividend reinvestment sub-option.

Default Plan:

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

<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. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

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:
**TATA SMALL CAP FUND**

### Special Products available

<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.

### 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.

### Maximum amount for redemption and switch-outs

There is no upper limit of redemption. However, this is subject to the following:

(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 Tata Asset Management Limited. 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 Unitholder’s account.

### Special Products available

#### 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.”

**SIP with Top-up SIP facility:**

SIP with Top-up SIP is a facility whereby an investor has an option to increase the amount of the SIP Installment by a fixed amount at pre-defined intervals. This will enhance the flexibility of the investor to invest higher amounts during the tenure of the SIP.

Terms and conditions of top-up SIP are as follows:

i. The Top-up option must be specified by the investors while enrolling for the SIP facility.

ii. For minimum SIP Top-up amount refer application form.

iii. The Top-up details cannot be modified once enrolled. In order to make any changes, the investor must cancel the existing SIP and enroll for a fresh SIP with Top-up option.

iv. Under monthly SIP investors can opt for top-up amount at half-yearly and yearly intervals. If the investor does not specify the frequency, the default interval for Top-up will be considered as Yearly.

v. In case of Quarterly SIP, investors can opt for only Yearly interval top-up frequency.

For complete details regarding the SIP with top-up facility please refer to SIP Auto Debt Form with Top up facility enrollment form.

#### a) 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.”

Facility for purchasing of the units of the scheme through order routing platform on BSE and NSE

The scheme will be 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.

Accounts Statements

On acceptance of the application for subscription, an allotment confirmation specifying the number of units will be sent to the Unit holders either by way of an email and/or SMS at their registered e-mail address and/or mobile number as the case may be.

In compliance with relevant 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 Depositories within ten days from the end of the month in which transaction (the word ‘transaction’ shall include all financial transactions in demat accounts/Mutual Fund folios of the investor) takes place.

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 Depositories to Unitholders would constitute compliance by Tata Asset Management Ltd / the Fund with the requirements under Regulation 36(4) of SEBI (Mutual Funds) Regulations 1996.

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
**TATA SMALL CAP FUND**

| **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. |
| **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.

**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/17/10-11 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.
     - Self attested copy of not older than 3 months bank statement containing the first unit holder name and bank account number.
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:

- Canceled 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.

B. Documents required for Updation of Bank Mandate (pertains to the period when bank details were not mandatory)

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:

- Canceled 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 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.

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 atleast 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.

C. 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

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/2019/166 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.

Applicants who cannot Invest.

- A person who falls within the definition of the term “U.S” Person” under the US Securities Act of 1933 and
  corporations or other entities organised under the laws of the U.S.
- A person who is resident of Canada.
- OCB (Overseas Corporate Bodies) as defined under Income Tax Act, 1061 and under Foreign Exchange
  Management Act, 1999.

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 provide information required by the regulatory authority and may undergo changes on receipt of communication / guidelines from Government of India or AMFI or SEBI or any other regulatory authority.

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.

If a person resident of India at the time of subscription becomes a person resident outside India subsequently, shall have the option to either be paid Redemption value of Units, or continue into the Scheme if he/ she so desires and is otherwise eligible. However, the person who desires to continue in the Scheme shall not be entitled to any interest or any compensation during the period it takes for the Fund to record the change in Address and the Residential Status. Notwithstanding the aforesaid, the Trustee Company reserves the right to close the Unitholder account and to pay the Redemption value of Units, subsequent to his becoming a person resident outside India, should the reasons of expediency, cost, interest of Unitholders and other circumstances make it necessary for the Fund to do so. In such an event, no resident Unitholders who have subsequently become resident outside India shall have a right to claim the growth in capital and/or income distribution.

This scheme has not been registered in any country outside India. To ensure compliance with any Laws, Acts, Enactments, etc. including by way of Circulars, Press Releases, or Notifications of Government of India, the Fund may require/give verification of identity/any special/additional subscription-related information from /of the Unitholders/which may result in delay in dealing with the applications, Units, benefits, distribution, etc./giving subscription details, etc). Each Unitholder must represent and warrant to the Trustee Company/AMC that, among other things, he is able to acquire Units without violating applicable laws. The Trustee Company will not knowingly offer or sell Units to any person to whom such offer or sale would be unlawful, or might result in the Fund incurring any liability or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer. Units may not be held by any person in breach of the law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations. The Trustee company may, compulsorily redeem any Units held directly or beneficially in contravention of these prohibitions. In view of the individual nature of investment portfolio and its consequences, each Unitholder is advised to consult his/her own professional advisor concerning possible consequences of purchasing, holding, selling, converting or otherwise disposing of the Units under the laws of his/her State/country of incorporation, establishment, citizenship, residence or domicile.
### Dividend Policy

**Growth Option:**
The income / profits received / earned would be accumulated by the Fund as capital accretion, aimed at achieving capital growth.

**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, dividend distribution tax or statutory levy if any etc.) and at appropriate intervals 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 Dividend.

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”.

The dividend payout for amount less than Rs 250/- will be compulsorily reinvested in the same sub-option at ex-dividend NAV.

**Dividend Reinvestment:** Unitholders under this option have the facility of reinvestment of the Dividend so declared, if so desired. The dividend 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 dividend into any other scheme of Tata Mutual Fund. 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 schemes. No entry Load or exit load will be levied on the units issued in lieu of dividend.

### How to Apply

**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.

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**

- 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.

**Process Note:**

1. 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.

2. 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.

3. 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 up to 30 days.

4. 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.
7. The Purchase Facility is currently available to the investors with the bank account with following bank account type, the MICR code of the branch and the IFSC code.

8. 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.

9. 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.

10. The responsibility of the bank account information provided in the Debit Mandate or any other erroneous data / information supplied by the Unit holder(s).

11. 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).

12. 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

13. 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.

14. 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.
15. 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 & 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.

16. 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.

17. 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.

18. 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 (022) 6282 7777 (Monday to Saturday 9:00am to 5:30pm) 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 (022) 6282 7777 (Monday to Saturday 9:00am to 5:30pm).

19. 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 (022) 6282 7777 (Monday to Saturday 9:00am to 5:30pm). For faster dissemination of information, Unitholders are requested to provide their E-mail IDs. Delivering service through the internet & web-based services such as e-mail is a more efficient delivery channel. Annual report, Account statements & 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 & investor can download, save & print these documents. However, the investor always has a right to demand a physical copy of any or all the service deliverables, & 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.

20. 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).

21. 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.

22. 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:
   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;
   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;
   c) Non registration of the Debit Mandate by the Unit holder(s’) bank and branch;
   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;
   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.

23. 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.

The AMC reserve the right to reject an application if it deems appropriate.
<table>
<thead>
<tr>
<th>Transactions through online facilities/electronic modes</th>
<th>Tata Mutual Fund has entered into an agreement with MF Utilities India Private Limited (&quot;MFUI&quot;), a &quot;Category II - Registrar to an Issue&quot; under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility (&quot;MFU&quot;) - a shared services initiative of various asset management companies, which acts as a transaction aggregator for transacting in multiple schemes of various mutual funds with a single form and a single payment instrument. Accordingly, all the authorized Point of Sales (POS) and website/mobile application of MFUI (available currently and also updated from time to time) shall be eligible to be considered as &quot;official points of acceptance&quot; for all financial and non-financial transactions in the schemes of Tata Mutual Fund either physically or electronically. The list of POS of MFUI is published on the website of MFUI at <a href="http://www.mfuindia.com">www.mfuindia.com</a>. 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 (&quot;CAN&quot;) i.e. a single reference number for all investments in the mutual fund industry for transacting in multiple schemes 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. <a href="http://www.mfuindia.com">www.mfuindia.com</a> 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 <a href="mailto:clientservices@mfuindia.com">clientservices@mfuindia.com</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Points of Acceptance of Transaction through MF utility</td>
<td>Tata Mutual Fund has entered into an agreement with MF Utilities India Private Limited (&quot;MFUI&quot;), a &quot;Category II - Registrar to an Issue&quot; under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility (&quot;MFU&quot;) - 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 &quot;official points of acceptance&quot; 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 <a href="http://www.mfuindia.com">www.mfuindia.com</a>. 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 (&quot;CAN&quot;) 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. <a href="http://www.mfuindia.com">www.mfuindia.com</a> 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 <a href="mailto:clientservices@mfuindia.com">clientservices@mfuindia.com</a></td>
</tr>
<tr>
<td>Cash Investments</td>
<td>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.</td>
</tr>
</tbody>
</table>

### C. 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 AMC will calculate and disclose the first NAVs within a period of 5 Business Days from the date of allotment of Units of the Scheme. Afterwards, 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
<table>
<thead>
<tr>
<th><strong>Entry Load:</strong> NIL</th>
<th><strong>Exit Load:</strong> 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Price = NAV + (Entry Load (%)* NAV)</td>
<td>Sale Price = 11 + (0% * 11)</td>
</tr>
<tr>
<td>Sale Price = 11 + 0</td>
<td>Sale Price = Rs. 11/-</td>
</tr>
<tr>
<td><strong>Repurchase Price</strong></td>
<td><strong>Repurchase Price</strong></td>
</tr>
<tr>
<td>Repurchase Price = NAV – (exit load (%)* NAV)</td>
<td>Repurchase Price = 11 – (1%*11)</td>
</tr>
<tr>
<td>Repurchase Price = 11 – 0.11</td>
<td>Repurchase Price = Rs.10.89</td>
</tr>
</tbody>
</table>

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 Fund will ensure that the Redemption Price will not be lower than 93% of the NAV and the Purchase Price will not be higher than 107% of the NAV, provided that the difference between Redemption Price and the Purchase Price of the units shall not exceed the permissible limit of 7% of the Purchase Price, as provided for under the Regulations.

### 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.

<table>
<thead>
<tr>
<th><strong>Portfolio Disclosure:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Mutual Fund will 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 <a href="http://www.tatamutualfund.com">www.tatamutualfund.com</a> and on the website of AMFI <a href="http://www.amfiindia.com">www.amfiindia.com</a> within 10 days from the close of each month/half year.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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 <a href="http://www.tatamutualfund.com">www.tatamutualfund.com</a> and on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>). Tata Mutual Fund will provide physical copy of the statement of scheme portfolio without any cost, on specific request received from a unitholder.</td>
</tr>
</tbody>
</table>

### 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.

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).
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 Wing Parinee Crescendo G Block BKC Bandra East, Mumbai – 400 051. Telephone: (022) 6282 7777 (Monday to Saturday 9:00am to 5:30pm) Fax: (022) 66315194, 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:

<table>
<thead>
<tr>
<th>Resident Investors/NRI’s $</th>
<th>Domestic Company @</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dividend Distribution</strong></td>
<td><strong>Rate of Tax</strong></td>
</tr>
<tr>
<td>Tax* (Payable by the scheme at the time of dividend distribution)</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Tax on Capital Gains (Payable by the Investors)**

| Long Term | 10%* | 10%* |
| Short Term | 15% | 15% |

* 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).

The applicable Surcharge which will be 12% and Health and Education cess at the rate of 4%.

$ The surcharge and Cess applicability varies with the category of investors like surcharge at 37% on base tax where income exceeds Rs. 5 crore,25% where income exceeds Rs.2 crore but does not exceed Rs. 5 crore,15% where income exceeds Rs. 1 crore but does not exceed Rs. 2 crore , to be levied in case of individual/HUF/NRI unit holders and surcharge at 10% to be levied in case of individual/HUF unit holders where income of such unitholders exceeds Rs. 50 lakhs but does not exceed Rs. 1 Crore.

@ Surcharge at 7% to be levied for domestic corporate unit holders where income exceeds Rs. 1Crore but less than Rs.10 crores and at 12%, where income exceeds Rs.10 crores. *Health and Education cess at the rate of 4% to be levied on aggregate of base tax and surcharge. The Scheme will also attract Securities Transaction Tax (STT) at applicable rates at the time of redemption/switch to the other schemes/sale of units.

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 a) the transaction of such purchase is entered into in a recognized stock exchange; and b) the contract for the purchase of such share is settled by the actual delivery or transfer of such share</td>
<td>Purchaser/ Seller</td>
<td>0.1%</td>
</tr>
<tr>
<td>Purchase of a unit of an equity oriented fund, where a) the transaction of such purchase is entered into in a recognized stock exchange; and b) the contract for the purchase of such unit is settled by the actual delivery or transfer of such unit</td>
<td>Purchaser</td>
<td>NIL</td>
</tr>
<tr>
<td>Sale of a unit of an equity oriented fund, where a) the transaction of such sale is entered into in a recognized stock exchange; and b) the contract for the sale of such unit is settled by the actual delivery or transfer of such unit</td>
<td>Seller</td>
<td>0.001%</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>
</tbody>
</table>
Sale in a future in securities & Seller 0.01%
Sale of unit of an equity oriented fund to the Mutual Fund itself & Seller 0.001%

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

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

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

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

D. COMPUTATION OF NAV

Net Asset Value ("NAV") of the Units shall be determined as of the close of each Business Day.

NAV shall be calculated in accordance with the following formula:

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

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 up to four decimals.

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

Please note that being existing scheme, this section is not applicable

B. ANNUAL SCHEME RECURRING EXPENSES

Fees & Expenses:

The maximum recurring expenses for the scheme is estimated below:

<table>
<thead>
<tr>
<th>Ref</th>
<th>Expenses Head</th>
<th>Regular Plan (Application routed through distributors): % of daily Net Assets #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Upto 2.25%</td>
</tr>
<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>
</tbody>
</table>
Costs of statutory Advertisements
Cost towards investor education & awareness (at least 2 bps)
Brokerage & transaction cost over and above 12 bps & 5 bps for cash & derivative market trades resp.
Goods & Services Tax on expenses other than investment and advisory fees
Goods & Services Tax on brokerage and transaction cost

(a) Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a) Upto 2.25%*
(b) Additional expenses under regulation 52 (6A) (c) Upto 0.05%
(c) Additional expenses for gross new inflows from specified cities Upto 0.30%^*^  

* 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 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%

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

^ Expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least:
(i) 30 per cent of gross new inflows in the scheme, or;
(ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

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

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

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

Additional TER can be charged based on inflows only from retail investors (i. e other than corporates and institutions) from B 30 cities as defined in the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/42 March 25, 2019. Retail Investor means transaction from individual investors where inflow is upto Rs. 2,00,000/- per transaction.

Notes:

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

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

The fund shall update the current expense ratios on the website (www.tatamutualfund.com) at least three working days prior to the effective date of the change. The exact web link for TER is http://www.tatamutualfund.com/our-funds/total-expense-ratio.

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

4) 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.

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 scheme. 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.

Entry Load (During NFO): N.A.

Exit Load: 1) NIL - Redemption/ Switch-out/ SWP/ STP on or before expiry of 12 Months from the date of allotment: If the withdrawal amount or switched out amount is not more than 12% of the original cost of investment. 2) 1% - Redemption/ Switch-out/ SWP/ STP on or before expiry of 12 Months from the 1% date of allotment: If the withdrawal amount or switched out amount is more than 12% of the original cost of investment. 3) NIL - exemption/ Switch-out/ SWP/ STP after expiry of 12 Months from the date of allotment.

Bonus units and units issued on reinvestment of dividends shall not be subject to exit load.

For applicability of load structure and NAV, switch-in will be considered as subscription and switch-out will be considered as redemption.

Taxes (such as Capital Gain tax, STT, etc.) would be applicable for switch transaction (switch with/without exit load) as per the prevailing Income Tax Laws. Kindly refer Taxation section for further details.

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

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

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 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.
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 deponent 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 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

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 are a party should also be disclosed separately. - 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 Scheme under this Scheme Information Document was approved by the Trustee Company on July 19'2018.

By order

Board of Directors

Tata Asset Management Limited.

Place: Mumbai
Date: 30-01-2020

Authorised Signatory