Introducing Tata Quant Fund

A Machine Driven Investment Strategy

This product is suitable for investors who are seeking*:
- Medium to Long Term Capital Appreciation.
- Investment in equity & equity related instruments selected based on quant model.

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

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.
WHAT ARE QUANT FUNDS?
Quant Funds select stocks in their portfolio based on quantitative decision-making frameworks. In case of actively managed funds, buying and selling decisions are undertaken by the Fund Manager. In contrast, machine learning based statistical models recommend buy or sell as set out in the fund's objective.

Statistical model used in Quant Funds are developed and managed by the Fund House by leveraging data on parameters that impact price movements of underlying securities.

ADVANTAGES OF QUANT FUNDS
Quant funds tend to have the following advantages:

- Leverage the strength of Artificial Intelligence (AI) & Machine Learning (ML) for investment strategy formulation
- Ability to handle massive computational intensity for stock selection & allocation
- Reduce human bias, error and emotion.
- Restrict choice of stocks based on the model (algorithm).
- Consistency in strategy
- Additional investment option for investors
- Disciplined investment process, offering superior risk control

TATA QUANT FUND
Tata Quant Fund is a quant model-based Fund which uses internally developed machine learning based model to make investment decisions.

KEY HIGHLIGHTS
- The Fund would invest in stocks which form part of S&P BSE 200 or Equity Derivative Segment stocks
- Fund aims to
  - Consistently achieve better returns than the index
  - Avoid negative absolute returns
- Use factor Strategies viz. Value, Quality, Alpha for objective stock selection & portfolio allocation
- Embedded Machine Learning modules in the investment process so that the factor selection framework evolve as the market changes
- Periodically rebalance on the basis of latest economic & market information. This helps in improving portfolio performance and mitigate risk
UNDERSTANDING TATA QUANT FUND STRATEGY LANDSCAPE

FACTOR STRATEGIES USED IN THE QUANT MODEL

ROCE – Return on Capital Employed • ROE – Return on Equity • EPS – Earnings Per Share • D/E – Dividend/Earnings • P/E – Price to Earnings

APPLICATION OF MACHINE LEARNING IN INVESTMENT DECISION

Tata Quant Fund uses Machine Learning in its Investment decisions.

The Machine Learning Models work on two broad categories of input variables:

a) Macro-Economic: Domestic Macroeconomic Data, Global Equity Indices, Dispersion between expected and real Index earnings, Yield Spreads, Credit Spread, India Volatility index etc.

b) Security Performance Parameters: Price momentum, Jensen Alpha, P/E, P/B, ROCE, D/E, D/Y, ROE, EPS
Machine learning algorithm is used to predict upturn or downturn in forthcoming month. Variables on which the Algorithm is based includes among other factors:

- Historic momentum for each factor model & absolute returns
- Economic parameters (domestic & international)

(These are illustrative in nature and may include other factors based on market behavior)

**Other Details of Fund:**

<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>TATA QUANT FUND</th>
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<tbody>
<tr>
<td>NFO Date</td>
<td>NFO OPENS: 3rd January 2020 • NFO CLOSES: 17th January 2020</td>
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<tr>
<td>Investment Objective</td>
<td>The investment objective of the scheme is to generate medium to long-term capital appreciation by investing in equity and equity related instruments selected based on a quantitative model (Quant Model). 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.</td>
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<td>Type of Scheme</td>
<td>An open-ended equity scheme following quant-based investing theme</td>
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<td>Fund Manager</td>
<td>Sailesh Jain</td>
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<td>Benchmark</td>
<td>S&amp;P BSE 200 TRI</td>
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<td>Min. Investment Amount</td>
<td>Rs. 5,000/- and in multiple of Re.1/- thereafter. Additional Investment: Rs 1,000/- and in multiple of Re 1/- thereafter.</td>
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<td>Load Structure</td>
<td>Entry Load (During NFO): N.A. Exit Load: 1% of the applicable NAV, if redeemed/switched out on or before expiry of 365 days from the date of allotment.</td>
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Call: **022 - 6282 7777** *(Monday to Saturday 9:00 am to 5:30 pm)*

www.tatamutualfund.com