INVESTMENT STRATEGY INFORMATION DOCUMENT (ISID)
SECTION 1

S.O.1

Classif Hybrid Long-Short Fund
(An interval investment strategy investing in equity and debt securities, including limited short exposure in equity and debt through derivatives)

Scrip code BSE/NSE :- will be updated at the time of listing of units of Investment Strategy

This product is suitable for investors who are seeking #	**Risk-band**	**Benchmark Risk-band NIFTY 50 Hybrid Composite Debt 15:85 Index**
• Long term wealth creation • An interval investment strategy investing in equity and debt securities, including limited short exposure in equity and debt through derivatives.	Risk band Level 3	Risk band Level 3

S.O.3

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

The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the characteristics of the investment strategy or model portfolio and the same may vary post NFO when the actual investments are made

Offer of units of Rs.10/- each for cash during the New Fund Offer and Continuous offer for Units at NAV based prices

New Fund Offer Opens on:_____
New Fund Offer closes on:_____
Investment strategy re-opens on:_____

Name of the SIF	Classif SIF
Name of Mutual Fund	UTI Mutual Fund
Name of Asset Management Company	UTI Asset Management Company Limited
Name of Trustee Company	UTI Trustee Company Private Limited
Address of the SIF, Mutual Fund, AMC and Trustee Company	Registered Office UTI Tower, 'Gn' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.
Website	www.utimf.com/classif

The particulars of the investment strategy have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder 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 Investment Strategy Information Document.

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Classif SIF, Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.utimf.com/classif

SAI is incorporated by reference (is legally a part of the Investment Strategy Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website (give reference to both the SIF website and mutual fund website)

The Investment strategy Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation

Investors are advised to note that investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. Please read all investment strategy related documents carefully before making the investment decision.

This Investment Strategy Information Document is dated September 28, 2026.

DISCLAIMER FOR INDICES

Disclaimer by NSE

NIFTY 50 Hybrid Composite Debt 15:85 Index

(i)"The Product(s) are not sponsored, endorsed, sold or promoted by NSE INDICES LTD. NSE INDICES LTD does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the NIFTY 50 Hybrid Composite Debt 15:85 Index to track general stock market performance in India. The relationship of NSE INDICES LTD to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LTD without regard to the Licensee or the Product(s). NSE INDICES LTD does not have any obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the NIFTY 50 Hybrid Composite Debt 15:85 Index. NSE INDICES LTD is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE INDICES LTD has no obligation or liability in connection with the administration, marketing or trading of the Product(s)".

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(iii)"An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it. Wherever the informational material referred to in above clause is in a language other than English, the disclaimer included in such informational material shall be true and complete translation of the disclaimers in English mentioned above.

STOCK EXCHANGE DISCLAIMER CLAUSE:

DISCLAIMER OF BSE:

BSE Ltd. ('the Exchange") has given vide its letter dated September 25, 2026, permission to Classif SIF offered by UTI Mutual Fund to use the Exchange's name on which in this ISID as one of Stock Exchanges on which this SIF Units are proposed to be listed. The Exchange has scrutinized this ISID for its limited internal purpose of deciding on the matter of granting the aforesaid permisssion to UTI Mutual Fund. The Exchange does not in any manner: -

- warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; or
- warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or
- take any responsibility for the financial or other soundness of this Mutual Fund its promoters, its management or scheme or project of this Mutual Fund

and it should not for any reason be deemed or construed that this ISID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of Classif Hybrid LongShort Fund of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

NATIONAL STOCK EXCHANGE DISCLAIMER CLAUSE:

"As required, a copy of this Draft Investment Strategy Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/6181 dated September 29, 2026 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund..

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

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PART I. HIGHLIGHTS/SUMMARY OF THE INVESTMENT STRATEGY

	Sr. No	Title	Description
S.O.1	I.	**Name of the Investment Strategy**	Classif Hybrid Long-Short Fund
	II.	**Category of the Investment Strategy**	Hybrid Long-Short Fund
	III.	**Type of Investment Strategy**	An interval investment strategy investing in equity and debt securities, including limited short exposure in equity and debt through derivatives
S.O.7	IV.	**Investment strategy code**	(To be disclosed after obtaining investment strategy code)
S.O.5	V.	**Investment objective**	The investment strategy seeks to generate capital appreciation and income over the long term by investing in equity and debt instruments, including exposure to equity and debt through derivatives. There is no assurance that the investment objective of the Investment strategy will be achieved.
	VI.	**Liquidity/listing details**	**Liquidity:** The Investment Strategy being offered is an interval investment strategy and will offer units for sale/switch-in on each business day at NAV based prices subject to applicable loads and offer redemption/switch out twice a week*. The AMC reserves the right to change the frequency and day of redemption. *Twice a week on Monday and Wednesday. In case the redemption day is a non-business day, the AMC shall process the redemption on the next business day. **Listing:** The units of the Investment Strategy will be listed and traded on the NSE and/or BSE. However, the AMC reserves the right to list the units of the Investment Strategy on any other Stock Exchange without any change in the Fundamental Attribute.
	VII.	**Benchmark (Total Return Index)**	**Nifty 50 Hybrid Composite Debt 15:85 Index** The benchmark has been chosen based on the investment objective of the Investment Strategy and the composition of the benchmark is such that it is most suited for comparing performance of the Strategy. The performance will be benchmarked to the Total Returns variant of the index. The Trustees reserves the right to change the benchmark in future if a benchmark better suited to the investment objective of the Investment Strategy is available.
	VIII.	**Subscription frequency**	Investors can subscribe to the Investment Strategy on a daily basis (business days) at applicable NAV. The AMC reserves the right to change the Subscription frequency in future, subject to SEBI Regulations and any other law, as applicable
	IX.	**Redemption frequency**	Twice a week on Monday and Wednesday. In case the redemption day is a non-business day, the AMC shall process the redemption on the next business day.

			Redemption requests received after Wednesday 3.00 PM till Monday 3.00 PM would be considered for processing with Monday NAV, and requests received after Monday 3.00 PM till Wednesday 3.00 PM would be processed with Wednesday NAV. In case Monday/Wednesday is a non-business day, then the redemption will be processed with the NAV of the immediately following business day. The AMC reserves the right to change the Redemption frequency in future, subject to SEBI Regulations and any other law, as applicable
S.O.41	X.	**NAV disclosure**	Declaration of NAV on a daily basis within 5 business days from the date of allotment. The Mutual Fund shall declare the Net asset value for the investment strategy by 11 p.m. on every business day on the website of Classif **SIF** www.utimf.com/classif and on AMFI's website www.amfiindia.com/ For further details refer Section II.
	XI.	**Applicable timelines**	**Timeline for dispatch of redemption proceeds** The redemption proceeds shall be paid to the unitholders within 3 (three) working days from the date of redemption. Further, in exceptional situations, additional timelines in line with AMFI letter no. AMFI/35P/MEM-COR/74/2022-23 dated January 16,2023 will be applicable for the transfer of redemption or repurchase processed to the unit holder. In the event of failure to payment of the redemption or repurchase proceeds within the period specified above, UTI AMC shall be liable to pay interest to the unitholders at such rate as may be specified by the SEBI vide provision no.15.4 of Chapter 15 of SEBI Master Circular for Mutual Funds, for the period of such delay; (presently @ 15% per annum). **Timeline for dispatch of IDCW proceeds** Not Applicable
	XII.	**Plans and Options** Plans/Options and sub options under the Investment strategy	**The Investment Strategy offers following Plans** Regular Plan Direct Plan **Both the Plans offer following option** Growth Option **Direct Plan:** Direct Plan is only for investors who purchase/subscribe units directly with the Fund and is not available for investors who route their investments through a Distributor. In case neither Distributor's Code nor "Direct" is indicated in the application form, the same will be treated as "Direct Plan" application. The Direct Plan will be a separate plan under the Investment strategy and shall have a lower expense ratio excluding distribution expenses, commission etc. and will have a separate NAV. No commission shall

		be paid / charged from Direct Plan. Portfolio of the Investment strategy under the Regular Plan and Direct Plan will be common. **How to apply:** Investors subscribing under Direct Plan will have to indicate "Direct Plan" against the Investment strategy name in the application form. For detailed disclosure on default plans and options, kindly refer SAI.
XIII.	**Load Structure**	**Load structure during NFO and on continuous basis** **Exit Load**: Nil AMC reserves the right to revise the load structure from time to time. Such changes will become effective prospectively from the date such changes are incorporated
XIV.	**Minimum Application Amount/switch in**	a. **During NFO:** Minimum of Rs. 10,00,000/- and in multiples of Re. 1/- thereafter Minimum amount for accredited investor: Rs 1,00,000 and in multiples of Re. 1- thereafter **b. On continuous basis:** Minimum (including switch-in) of Rs. 10,00,000/- and in multiples of Re. 1/- thereafter SIP/STP/SWP: Rs. 50,000/- and in multiples of Re. 1/- for monthly SIP and Rs. 1,00,000/- and in multiples of Re. 1/-for quarterly SIP thereafter with no upper limit subject to that the minimum investment amount by an investor should not be less than Rs. 10,00,000/- STP/ SWP can be done on specified redemption days only. STP shall be applicable only for other investment strategies of the Classif SIF. Note: Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any. As per Clause 21.4. of SEBI Circular with respect to Regulatory Framework for Specialized Investment Funds ('SIF'), the aggregate investment by an investor across all investment strategies offered by the SIF, at the Permanent Account Number ('PAN') level, shall not be less than Rs. 10,00,000 ('Minimum Investment Threshold'). For investments made by designated employees of UTI Mutual fund in line with paragraph 7.14 and 21.4.1 of the SEBI Master Circular for Mutual Funds dated March 20, 2026, requirement for minimum application/ redemption amount will not be applicable.
XV.	**Minimum Additional Purchase Amount**	Rs. 10,000/- and in multiples of Re. 1/- thereafter

	XVI.	**Minimum Redemption/switch out amount**	Re. 1 /- and in multiples of Re. 1 thereafter /- or all units subject to provisions of minimum investment threshold as specified below. **Minimum Investment Threshold:** ▪ Aggregate investment by an investor across all investment strategies offered by the SIF, at the Permanent Account Number ('PAN') level, shall not be less than Rs.10,00,000/. ▪ Provided that, the above provisions shall not be applicable for mandatory investments made by AMCs for designated employees as per the SEBI Master Circular for Mutual Funds. ▪ In case of any request(s) for partial redemption/switch out by the investor/(s), the AMC reserves the right to reject the redemptions entirely if the amount post payout of redemptions falls below Minimum Investment Threshold.
	XVII.	**Notice Period**	The redemption frequency will be twice a week i.e. Monday and Wednesday in every week. In case the redemption day is a non-business day, the AMC shall process the redemption on the next business day. In case of notice period, the redeeming investor shall receive the value of units sold based on the fund's NAV at the end of the notice period. In case of any event, if required, the AMC shall ensure that the notice period shall not exceed 15 working days. The AMC reserves the right to modify notice period at a future date.
S.O.34	XVIII.	**New Fund Offer Period** This is the period during which a new investment strategy sells its units to the investors.	NFO opens on: NFO closes on: Minimum duration to be 3 working days and will not be kept open for more than 15 calendar days Any changes in dates will be published through notice on website of Classif **SIF** i.e www.utimf.com/classif.
	XIX.	**New Fund Offer Price:** This is the price per unit that the investors have to pay to invest during the NFO.	During the New Fund Offer, the Units will be offered at a price of Rs. 10 per Unit (NFO Price).
S.O.53	XX.	**Segregated portfolio/side pocketing disclosure**	The AMC may create a segregated portfolio in case of a credit event at the issuer level i.e., a downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), subject to guidelines specified by the SEBI which may change from time to time. The creation of a segregated portfolio shall be optional and at the discretion of UTI AMC. Please refer to SAI for further details.
	XXI.	**Swing pricing disclosure**	Not applicable
	XXII.	**Stock lending/short selling**	The Investment strategy may engage in Securities lending in accordance with the framework relating to securities lending and borrowing specified by SEBI

S.O.35

S.O.61

		The Investment strategy will not engage in short selling in line with extant Regulations. For details, kindly refer SAI.	
XXIII.	**How to Apply**	**Details regarding-** Availability of application form from either the Investor Service Centers (ISCs)/Official Points of Acceptance (OPAs) of AMC or may be downloaded from the website of Classif **SIF** i.e www.utimf.com/classif **Please refer to the SAI and Application form for the instructions**. It is mandatory for investors to mention their Core banking Solutions (CBS) bank account particulars in their applications/requests for redemption For further details, refer section II	
XXIV.	**Investor services**	**Name and Address of Registrar** KFin Technologies Limited., Unit: UTIMF, Karvy Selenium Tower B, Plot Nos. 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Board No: 040 - 6716 2222, Fax no : 040 - 6716 1888, **Email:** uti@kfintech.com	**All investors could refer their grievances giving full particulars of investment at the following address:** Ms. Madhavi Dicholkar UTI Asset Management Company Ltd UTI Tower, Gn Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Tel: 022-6678 6666/6678 6258 Investors may post their grievances at our website: www.utimf.com or e-mail us at service@uti.co.in
XXV.	**Specific attribute of the investment strategy (such as lock-in, duration in case of close ended Investment strategy as applicable)**	Not Applicable	
XXVI.	**Special product/facility available during the NFO and on ongoing basis**	The Special Products / Facilities available during NFO are as follows: • Systematic Investment Plan (SIP). The Special Products / Facilities available on an ongoing basis are as follows • Systematic Investment Plan • Systematic Transfer Plan (applicable only for other investment strategies of the Classif SIF.) • Systematic Withdrawal Plan For further details of above special products / facilities, For Details, kindly refer SAI	
XXVII.	**Weblink**	Please note that this is a new strategy. TER details shall be	

		A weblink wherein TER for last 6 months, Daily TER as well as investment strategy factsheet shall be made available. www.utimf.com/classif

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

Due Diligence Certificate for
Classif Hybrid Long Short Fund

It is confirmed that:

(i) The Investment Strategy Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the guidelines and directives issued by SEBI from time to time.

(ii) All legal requirements connected with the launching of the Investment strategy 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 Investment Strategy Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Investment Strategy.

S.O.55

(iv) The intermediaries named in the Investment Strategy Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

(v) The contents of the Investment Strategy Information Document including figures, data, yields etc. have been checked and are factually correct

(vi) A confirmation that the AMC has complied with the compliance checklist applicable for Investment Strategy Information Document other than cited deviations/ that there are no deviations from the regulations

(vii) Notwithstanding anything contained in this Investment Strategy Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.

(viii) The Trustees have ensured that the **Classif Hybrid Long-Short Fund** is approved by them is a new product offered by **Classif SIF** and is not a minor modification of any existing Investment Strategy.

Sd/-
Date: September 28, 2026 **Gayatri Kannan**
Place: Mumbai **Compliance Officer**

PART II. INFORMATION ABOUT THE INVESTMENT STRATEGY

A HOW WILL THE INVESTMENT STRATEGY ALLOCATE ITS ASSETS?

Asset Allocation:
Under normal circumstances the asset allocation pattern will be as follows:

S.O.13

Instruments	Indicative allocations (% of total assets)	
	Minimum	**Maximum**
Equity and equity related instruments (including unhedged short exposure mentioned below) #	25%	75%
Debt and money market instruments (including unhedged short exposure mentioned below) #	25%	75%
Units issued by InvITs	0%	20%

#Short exposure through unhedged derivative positions in equity and debt instruments will be upto 25% of net assets.

Pursuant to para 8.5, 13.15 and 21.6 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD1/I/7602/2026 dated March 20, 2026 and SEBI Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/26 dated February 27, 2025 as may be amended from time to time, the strategy may use derivatives (including fixed income derivatives instruments) as permitted by SEBI from time to time and subject to guidelines issued by SEBI from time to time.

In accordance with the clause 21.3 21.6.(e) and clause and 13.18 of the SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, and credit default swaps, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time should not exceed 100% of the net assets of the investment strategy.

S.O.14

Pursuant to para 13.18.6 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days: a) Government Securities; b) T-Bills; and c) Repo on Government securities.

The strategy may invest in securitized debt up to 10% of the debt allocation

Pursuant to para 13.6 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the Trustee may permit the strategy to engage in securities lending and borrowing. At present, since only lending is permitted, the strategy may temporarily lend securities held with the Custodian to reputed counterparties or on the exchange, for a fee, subject to prudent limits and controls for enhancing returns. The strategy will lend securities subject to a maximum of 20%, in aggregate, of the net assets of the strategy and 5% of the net assets of the strategy in the case of a single intermediary

The strategy will invest up to a maximum of 35 % of its net assets in foreign securities as specified in the Para 13.11 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 and any subsequent amendments thereto specified

In accordance with Clause 3 of Sixth Schedule of SEBI (Mutual Funds) Regulations 2026, read with Para 13.14.1 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026,the strategy may invest in another scheme of the UTI Mutual Fund or any other Mutual Fund without charging any fees, provided that

aggregate inter-scheme investment made by all schemes under the management of UTI Asset Management Company Limited or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of UTI Mutual Fund.

Pursuant to para 13.8 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the strategy shall participate in the corporate bond repo transactions and in accordance with extant SEBI/RBI guidelines and any subsequent amendments thereto specified by SEBI and/or RBI from time to time. The gross exposure of the strategy to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the strategy

S.O.18

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)

S.O.20

S. No.	Type of Instrument	Percentage of exposure	Master Circular Reference
1	Securities Lending	Up to 20% of net assets and single intermediary limit up to 5% of net assets	Paragraph 13.6 of the SEBI Master Circular
2	Derivatives for non-hedging and other than for portfolio rebalancing purposes	Up to 50% of net assets	Paragraph 21.6.1 of the SEBI Master Circular
3	Securitized Debt	Up to 50% of debt portfolio	Paragraph 13.1 of the SEBI Master Circular
4	Overseas Securities	Up to 35% of net assets	Paragraph 13.11 of the SEBI Master Circular
5	Units of InvITs	Up to 20% of net assets	Paragraph 21.5.4 (b) of the SEBI Master Circular
6	Debt instruments with special features (AT1 and AT2 Bonds)	Up to 10% of NAV of debt portfolio Upto 5% of the NAV of the debt portfolio in such instruments issued by a single issuer.	Paragraph 13.1 of the SEBI Master Circular
7	Debt instruments with SO/ CE	Up to 10% of the debt portfolio assets and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Investment Strategy	Paragraph 13.1 (10) of the SEBI Master Circular
8	Tri-party repos	As per regulations	-
9	Repo/ Reverse repo transactions in corporate debt securities	Up to 10% of net assets	Paragraph 13.8 of the SEBI Master Circular
10	Credit Default Swaps	Up to 10% of AUM of the Investment Strategy	Paragraph 13.17 of the SEBI Master Circular

Portfolio Rebalancing:

In accordance with the provision no.3.11 under Chapter 3 of SEBI Master Circular for Mutual Funds the above investment pattern is only indicative and may be changed by the Fund Manager for a short term period on defensive considerations, keeping in view the market conditions, market opportunities, applicable SEBI (MF) Regulations 2026, legislative amendments and other political and economic factors, the intention being at all times to seek to protect the interests of the Unit Holders upto 30 calendar days. Rebalancing of the portfolio will be done when the asset allocation falls outside the range given above. If the exposure falls outside the above mentioned asset allocation pattern, it will be restored within 30 days. If owing to adverse market conditions or with the view to protect the interest of the investors, the fund manager is not able to rebalance the asset allocation within the above mentioned period of 30 days, the same shall be reported to the Internal Investment Committee. The Internal Investment Committee shall then decide the further course of action.

Further accordance with Chapter 3 of SEBI Master Circular for Mutual Funds, as may be amended from time to time, in the event of deviation from mandated investment limits, including but not limited to asset allocation, issuer limits, sector limits, group limits or any other investment restriction prescribed under SEBI Regulations or circulars, due to passive breaches (i.e., occurrences not arising out of omission or commission of the AMC), the Fund Manager shall rebalance the portfolio of the Scheme within thirty (30) Business Days from the date of such deviation. In case the portfolio of the Scheme is not rebalanced within the period of thirty (30) Business Days, a justification in writing, including details of efforts taken to rebalance the portfolio, shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, may extend the timeline for rebalancing by up to sixty (60) Business Days from the date of completion of the initial 30 Business Days' period. In case the portfolio is not rebalanced within the aforementioned (mandated plus extended) timelines, the AMC shall comply with the restrictions, reporting, and disclosure requirements as specified in para 3.11.4 of Chapter 3 of the SEBI Master Circular for Mutual Funds, as may be amended from time to time.

S.O.22

Rebalancing due to Short Term Defensive Consideration:

S.O.23

In accordance with the provision no.3.11 under Chapter 3 of SEBI Master Circular for Mutual Funds the above investment pattern is only indicative and may be changed by the Fund Manager for a short term period on defensive considerations, keeping in view the market conditions, market opportunities, applicable SEBI (MF) Regulations 2026, legislative amendments and other political and economic factors, the intention being at all times to seek to protect the interests of the Unit Holders upto 30 calendar days. Rebalancing of the portfolio will be done when the asset allocation falls outside the range given above. If the exposure falls outside the above mentioned asset allocation pattern, it will be restored within 30 days. If owing to adverse market conditions or with the view to protect the interest of the investors, the fund manager is not able to rebalance the asset allocation within the above mentioned period of 30 days, the same shall be reported to the Internal Investment Committee. The Internal Investment Committee shall then decide the further course of action.

S.O.24

Rebalancing due to passive breach:

Further accordance with Chapter 3 of SEBI Master Circular for Mutual Funds, as may be amended from time to time, in the event of deviation from mandated investment limits, including but not limited to asset allocation, issuer limits, sector limits, group limits or any other investment restriction prescribed under SEBI Regulations or circulars, due to passive breaches (i.e., occurrences not arising out of omission or commission of the AMC), the Fund Manager shall rebalance the portfolio of the Scheme within thirty (30) Business Days from the date of such deviation.

In case the portfolio of the Scheme is not rebalanced within the period of thirty (30) Business Days, a justification in writing, including details of efforts taken to rebalance the portfolio, shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, may extend the timeline for rebalancing by up to sixty (60) Business Days from the date of completion of the initial 30 Business Days' period.

In case the portfolio is not rebalanced within the aforementioned (mandated plus extended) timelines, the AMC shall comply with the restrictions, reporting, and disclosure requirements as specified in para 3.11.4 of Chapter 3 of the SEBI Master Circular for Mutual Funds, as may be amended from time to time.

Timelines for deployment of funds collected in NFO:
Pursuant to Paragraph 7.24 of SEBI Master Circular dated March 20, 2026, the AMC shall be deployed in the following manner:

1. The AMC shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units.
2. In an exceptional case, if the AMC is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee of the AMC. The Investment Committee may extend the timeline by 30 business days
3. In case the funds are not deployed as per the asset allocation mentioned in the ISID as per the aforesaid mandated plus extended timelines, AMC shall:
   i) not be permitted to receive fresh flows in the same Investment Strategy till the time the funds are deployed as per the asset allocation mentioned in the ISID.
   ii) not be permitted to levy exit load, if any, on the investors exiting such Investment Strategy(s) after 60 business days of not complying with the asset allocation of the Investment Strategy.
   iii) inform all investors of the NFO, about the option of an exit from the concerned Investment Strategy without exit load, via email, SMS or other similar mode of communication.
   iv) report deviation, if any, to Trustees at each of the above stages.

S.O.11 & 15

Investment in Foreign Securities: The Investment Strategy may seek investment opportunities in the ADRs/ GDRs/ Foreign securities subject to the Regulations. Such investments shall not exceed 20% of the net assets of the scheme.

S.O.16

Pursuant to provisions of para no. 13.11 of Chapter 13 of SEBI Master Circular, mutual funds can make overseas investments subject to a maximum of US $ 1 billion per Mutual Fund, within the overall industry limit of US$ 7 billion. Mutual Funds can make overseas investments in Exchange Traded Fund (ETF(s) subject to a maximum of US$ 300 million per Mutual Fund, within the overall industry limit of US$ 1 billion.

The below mentioned limits will be applicable for a period of six months from the date of closure of NFO period:

a. The scheme intends to make overseas investment of up to US$ 100 million (excluding overseas ETF),
b. The scheme intends to invest in Overseas Exchange Traded Funds an amount of up to US$ 20 million.

Thereafter on an on-going basis the scheme shall invest in Overseas Securities/ Overseas ETFs subject to the headroom of 20% of average AUM of the Scheme for the previous three calendar months subject to maximum limits specified by SEBI from time to time.

S.O.29

B. WHERE WILL THE INVESTMENT STRATEGY INVEST?

Subject to the Regulations and the disclosures as made under the Section "How the Investment strategy will allocate its Assets", the corpus of the Investment Strategy can be invested in any (but not exclusive) of the following securities/instruments:

- Equity and equity related instruments
- Debt and money market instruments including securitized debt
- Derivatives for hedging and non-hedging purposes
-
- Units of InvITs
- Units of Mutual Fund (including ETFs)
- Investment in overseas securities, including units of overseas Mutual Funds/ ETFs, shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.
- Any other instruments as permitted by RBI/SEBI

Subject to the Regulations, the securities mentioned above could be listed, unlisted, rated, unrated, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings, secondary market operations, private placement, rights offer (including renunciation) or negotiated deals.

The Investment Strategy may also enter repurchase and reverse repurchase obligations in various securities as per the guidelines and regulations applicable to such transactions.

Further, the Investment Strategy intends to participate in securities lending as permitted under the regulations.

The inter strategy transfer of investments, if applicable, shall be in accordance with the provisions contained in paragraph 13.19 of the Master Circular.

Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.

C. WHAT IS THE INVESTMENT APPROACH?

S.O.27 & 28

The Investment Strategy intends to invest in a range of equity & equity related instruments, arbitrage strategies, derivatives strategies, special situations and fixed income investments to achieve the investment objective. The Investment Strategy shall follow an active investment approach.

a) **Equity:** The Investment Strategy may maintain a selective long equity exposure. The fund manager while selecting stocks will focus on the fundamentals of the business, the quality of management, the financial strength of the company, etc. The Investment Strategy will look for investment opportunities across market caps and sectors.

   The Investment strategy will also seek to capitalize on special situations such as IPOs, FPOs, rights issues, preference shares or debentures, buybacks, open offers, demergers, mergers, QIPs, delistings, index rebalancing events etc. These event-driven opportunities will be tactically assessed for short-term return generation.

b) **Derivatives**: The Investment Strategy will deploy structured derivative strategies including covered calls and synthetic options like straddles, strangles, and put-call parity trades to enhance yield. The Investment Strategy may use derivative instruments like Interest Rate Swaps, Interest Rate Futures, Forward Rate Agreements, Overnight Index Swaps, commodity based or other derivative instruments for the purpose of hedging, portfolio balancing and other purposes, as permitted under the Regulations. Hedging using Interest Rate Futures could be perfect or imperfect, subject to applicable regulations.

Indicative List of Derivative Strategies

The investment approach may deploy the following equity derivative strategies, in compliance with SEBI regulations and internal risk management policies. All positions will be maintained within the overall gross exposure cap of 100% and the naked short exposure limit of 25%.

Broad Derivatives Strategy	**Explanation**
Equity Arbitrage	Short futures against the underlying stock
Covered Call	Short calls against the underlying stock
Portfolio Hedging with Index Option	Buying index put option to hedge the equity portfolio
Portfolio Hedging with Index Future	Shorting index future to hedge the equity Portfolio
Protective Stock Put	Buying puts against underlying stock
Protective Stock Call	Long calls against short stock future
Long Call Option	Buying a call option to profit from advance in the asset price
Long Put Option	Buying a put option to profit from decline in the asset price

Long Future	Buying futures to profit from advance in the asset price
Short Future	Shorting futures to profit from decline in the asset price
Bull Put Spread	Buy a put at lower strike price and short a put at higher strike price. Profit if the asset price is above the higher strike price
Bear Call Spread	Short a call at lower strike price and buy a call at higher strike price. Profit if the asset price stays below the lower strike price
Shorting Straddle/Strangle	Shorting put and call options to profit from the asset prices remaining range-bound
Bear Put Spread	Buy a higher-strike put and sell a lower-strike put; profits from moderate declines
Calendar Spread	Sell a near-term option and buy a longer-term option at same strike; profits from time decay differential and volatility
Butterfly Spread	Buy lower-strike, sell two middle-strikes, buy higher-strike options (all same expiry); limited risk/reward, bets on low volatility
Iron Condor	Sell OTM call/put, buy further OTM call/put (four legs, same expiry); profits in narrow ranges.
Synthetic Long/Short	Create exposure equivalent to underlying with options (e.g., long call/short put = synthetic long stock)
Pair Trades	Take opposite positions in two stocks of the same sector based on bullish/bearish view
Credit Default Swaps (CDS)	Allows an investor to swap or offset their credit risk with that of another investor

It may be noted that the above list of derivative strategies is for illustration purposes and additional derivative strategies may be undertaken or introduced based on evolving market conditions, fund objectives, and subject to SEBI guidelines and risk controls. As per the SEBI guidelines, the investment strategy is allowed to offset certain derivative transactions. The risk factors and risk mitigation related strategies is specified in the "Risk Factors",

For detailed derivative strategies, please refer to SAI.

c. Fixed income: The Investment Strategy will invest in debt & money market instruments to provide income, liquidity, and portfolio stability. The debt allocation will be actively managed based on interest rate outlook, credit environment, and liquidity conditions. Instruments may include government securities, corporate bonds, securitized debt, treasury bills, commercial papers, and certificates of deposit, among others

Portfolio turnover policy –

The Investment Strategy will endeavour to keep the portfolio turnover reasonable. However, given the Investment Strategy may deploy different derivative strategies during various market conditions with a view to optimize returns, this may also lead to higher churn in the portfolio. The effect of higher portfolio turnover could be higher brokerage and transaction costs. The AMC may, from time to time, review and modify the investment strategy if such changes are in the best interests of the unit holders and if market conditions warrant them.

S.O.25

D. HOW WILL THE INVESTMENT STRATEGY BENCHMARK ITS PERFORMANCE?

Benchmark (Total Returns Index): Nifty 50 Hybrid Composite Debt 15:85 Index

The benchmark has been chosen based on the investment objective of the Investment Strategy and the composition of the benchmark is such that it is most suited for comparing performance of the Strategy.

The performance will be benchmarked to the Total Returns variant of the index.

The Trustees reserves the right to change the benchmark in future if a benchmark better suited to the investment objective of the Investment Strategy is available.

S.O.33

E. WHO MANAGES THE INVESTMENT STRATEGY?

1. Mr. Sharwan Kumar Goyal is the Fund Manager for Equity portion of the Classif Hybrid Long-Short Fund.

Name of the Fund Manager, Age & tenure of managing the Investment Strategy	**Educational Qualifications**	**Experience**	Other investment strategies managed by the Fund Manager
Mr. Sharwan Kumar Goyal Age : 45 yrs. Tenure of managing the Investment Strategy –	B.Com, MMS, CFA,	Sharwan Goyal is Fund Manager and Head – Passive, Arbitrage and Quant strategies at UTI AMC. He is a CFA Charter holder from CFA Institute, USA and also holds a Post-graduate degree in Management (MMS) from Welingkar Institute of Management, Mumbai. He has more than 2 decades of experience in Investment function across Risk Management, Equity Research, Portfolio Analysis and Portfolio Management at UTI AMC.	-

2. Mr. Anurag Mittal is the Fund Manager for Debt portion of the Classif Hybrid Long-Short Fund

Name of the Fund Manager, Age & tenure of managing the Investment Strategy	**Educational Qualifications**	**Experience**	Other investment strategies managed by the Fund Manager
Mr. Anurag Mittal Age - 42 yrs. Tenure of managing the Investment Strategy –	BCom, Chartered Accountant, MSc in Accounting and finance with specialisation in Finance, London School of Economics,	Anurag Mittal is the **President &** Head – Fixed Income at UTI Asset Management Company, having joined the organization in 2021. With over two decades of experience across fixed income research and portfolio management, he has built a strong track record in managing diverse fixed income and hybrid strategies spanning macro and credit markets.	-

	University of London	A Chartered Accountant affiliated with the Institute of Chartered Accountants of India; Anurag holds a B.Com (Hons) degree from the University of Delhi and a postgraduate degree in Accounting and Finance with specialization in Finance from the London School of Economics and Political Science. He began his professional journey with Bank of America in 2006 as a credit analyst. Prior to joining UTI AMC, he previously held the office of Senior Fund Manager– Fixed Income at Bandhan Asset Management Company, where he managed several key debt mutual fund schemes. In addition to leading UTI AMC's fixed income business, he is also a member of the AMFI Valuation Committee and ARCL – Credit Committee. He serves on the Investment Committees for UTI AMC, Pension, and Alternate Capital.	

3. Mr. Lokesh Kulthia is Assistant Fund Manager of the Classif Hybrid Long-Short Fund

Name of the Fund Manager, Age & tenure of managing the Investment Strategy	**Educational Qualifications**	**Experience**	Other investment strategies managed by the Fund Manager
Mr. Lokesh Kulthia Age - 31 Yrs. Tenure of managing the Investment Strategy –NA	B.Com (Hons), MBA (Finance), PGPFM, EPAT	Mr. Kulthia joined UTI Asset Management Company in 2019 as a Management Trainee in Sales Management. In 2021, he transitioned to the Investment team, accumulating over 4 years of experience in Research. He initially served as an Investment Associate covering key sectors including Banking & Financial Services, Capital Goods, and Engineering. During his tenure, he has been instrumental in developing quantitative investment strategies that are currently deployed across multiple funds. He currently manages Passive and Quantitative Strategies in collaboration with the Head of Passives, encompassing index-based mandates and rules-driven portfolio construction frameworks..	-

F. HOW IS THE INVESTMENT STRATEGY DIFFERENT FROM EXISTING INVESTMENT STRATEGIES OF THE SIF?

Not applicable since UTI Asset Management Limited has not launched any Investment strategies under Classif SIF.

G. HOW HAS THE INVESTMENT STRATEGY PERFORMED

This Investment Strategy is a new product and does not have any performance track record.

H. ADDITIONAL INVESTMENT STRATEGY RELATED DISCLOSURES

This is a new Investment Strategy and therefore, the requirement of following additional disclosures shall not be applicable for the Investment Strategy.

- **Investment Strategy's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors)-** Since this is a new Investment Strategy, the portfolio holdings are not available
- **Functional website link for Portfolio Disclosure -** Since this is a new Investment Strategy, the portfolio holdings are not available
- **Portfolio Turnover Rate** - Since this is a new Investment Strategy, the portfolio holdings are not available
- **Functional website link to the respective addendums to the ISID after the last update of ISID** – Not applicable
- **Aggregate investment in the Investment Strategy by -** Since this is a new Investment Strategy,the portfolio holdings are not available

Sr. No.	Category of Persons	Net Value	
	Concerned Investment Strategy's Fund Manager(s)	Units	NAV per unit
1	Sharwan Kumar Goyal	NA	
2	Anurag Mittal	NA	
3	Lokesh Kulthia	NA	

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.

Investments of AMC in the Investment Strategy – Please refer the website link: www.utimf.com/classif

Investments by the AMC will be in accordance SEBI (MF) Regulations, 2026 which states that:

"The asset management company shall not invest in any of its Investment Strategies unless full disclosure of its intention to invest has been made in the ISID, provided that the asset management company shall not be entitled to charge any fees on its investment in the Investment Strategy."

Further, in accordance with SEBI Regulations, the asset management company shall invest such amounts in such Investment Strategies of the SIF, based on the risks associated with the Investment Strategies, as may be specified by the SEBI from time to time. But the AMC shall not be entitled to charge any management fees on this investment in the Investment Strategy.

PART III- OTHER DETAILS

S.O.42

A. COMPUTATION OF NAV

(a) The first NAV will be calculated and announced not later than 5 business days from the date of allotment in the NFO. Subsequently, the NAV of the Investment Strategy shall be computed and declared on every business day.

(b) The Net Asset Value (NAV) of the investment strategy shall be calculated by determining the value of the investment strategy's assets and subtracting therefrom the liabilities of the investment strategy taking into consideration the accruals and provisions. NAV shall be declared separately for the different Plans and Options of the investment strategy.

(c) The NAV per unit of the investment strategy shall be calculated by dividing the NAV of the investment strategy by the total number of units issued and outstanding on the date of calculation under the investment strategy. The NAV shall be rounded off upto four decimal places for the investment strategy.

(d) NAV of the Units under the Investment strategy shall be calculated as shown below:-

$$NAV = \frac{\text{Market or Fair Value of Investment Strategy's investments + Current Assets - Current Liabilities and Provision}}{\text{No of Units outstanding under Investment Strategy on the Valuation Date}}$$

The NAV under the Investment strategy would be rounded off to 4 decimals and Units will be allotted upto three decimal places or such other formula as may be prescribed by SEBI from time to time.

Methodology for Calculation of Sale and Re-purchase price of the units of mutual fund investment strategy

i) In case of Purchase of units of Investment Strategy:

As per existing regulation, no entry load is charged with respect to applications for purchase / additional purchase of Investment Strategy units. Therefore, Computation of Sale Price is as below:

NAV	10.00
Entry Load	Not Applicable
Sale Price	10.00

This also means, Sale Price = NAV as on date of investment

ii) Redemption/ Repurchase of mutual fund units

In case of redemption, repurchase price is calculated as below

Repurchase Price = NAV as on date of redemption - exit load (if applicable)

iii) Illustration showing how repurchase price is calculated under 2 different scenarios-

Amount Invested- Rs.10,000/- **Date of Investment**- 1st April 2022
NAV as on date of investment- Rs.10/- per unit
Exit load- For exit on or before 12 months from the date of allotment- 1%
For exit after 12 months from the date of allotment- Nil
No of units allotted at the time of purchase

Amount invested

= ----------

NAV of the investment strategy on the date of investment

= 10,000 / 10 = 1000 units

Particulars	**Scenario I**	**Scenario II**
	Redemption during applicability of exit load	**Redemption in case of Nil Exit load**
Date of Redemption	On or before 31st March 2023	After 31st March 2023
NAV as on date of redemption	Rs. 12	Rs.12
Applicable Exit load	1%	Nil
Repurchase Price (NAV as on date of redemption-Exit load)	Rs.12 - (1-1%)	Rs.12- (Nil)
Repurchase Price on date of Redemption	Rs.11.88	Rs.12
Redemption Amount payable to investors (no of units allotted x Repurchase Price)	Rs.11.88 x 1000 = Rs.11,880/-	Rs.12 x 1000 Rs.12,000/-

Note - This is only for illustration purpose. Actual Exit load charged in the Investment strategy may vary.

S.O.47

The repurchase price shall not be lower than 97% of the NAV. For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. refer to SAI

The above mentioned example does not take into consideration any applicable statutory levies and taxes.

(c) A valuation day is a day other than (i) Saturday and Sunday (ii) a day on which both the stock exchanges (BSE and NSE) and the banks in Mumbai are closed (iii) A day on which the purchase and redemption of units is suspended. If any business day in UTI AMC, Mumbai is not a valuation day as defined above then the NAV will be calculated on the next valuation day and the same will be applicable for the previous business day's transactions including all intervening holidays.

(e) The Mutual Fund shall declare the Net asset value separately for both the Plans by 11 p.m. on every business day on the website of Classif **SIF** i.e www.utimf.com/classif and on AMFI's website www.amfiindia.com. The Mutual Fund shall prominently disclose the NAVs of the investment strategy under a separate head on the website and on the website of Association of Mutual Funds in India (AMFI). Further, the Mutual Fund will extend facility of sending latest available NAVs to unit holders through SMS, upon receiving a specific request in this regard.

(f) Whenever the Investment Strategy also invests in foreign securities, the NAVs of Investment Strategy for those business days will be disclosed on AMC website and on the website of AMFI by 10:00 a.m. of the following business day in line with Paragraph 8.2 of SEBI Master Circular for Mutual Funds dated March 20, 2026. In case of non-availability of price/valuation for the underlying overseas investments before aforementioned timeline, consequent to which there would be inability in capturing same day price/valuation for such underlying investments, then NAV of the Investment Strategy will be declared as and when the price/valuation for such underlying securities/ Funds is available.

In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

B. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

The entire New Fund Offer expenses for the launch the Investment Strategy will be borne by the AMC.

C. ANNUAL RECURRING EXPENSES

(1) These are the fees and expenses for operating the Investment strategy. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 1.85% of the daily average net assets of the Investment strategy shall be charged to the Investment strategy as expenses. Investors can refer Classif **SIF** website and website of AMFI namely www.amfiindia.com for Total Expense Ratio (TER) details

Expense Head	**% of Daily Net Assets (Estimated p.a.)**
Investment Management and Advisory Fees	Up to 1.85%
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including fees, commission and charges towards distribution of mutual fund investment strategies	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education, awareness and financial inclusion	
Brokerage and transaction cost pertaining execution of trade	
Cost of statutory advertisements	
Other Expenses (to be specified as per Reg 66 of SEBI MF Regulations)	
Maximum Base expenses ratio (BER) permissible under Regulation 66	Up to 1.85%
Statutory levies (including GST) on all expenses excluding brokerage and transaction cost	GST of 18% or any other rate as may be levied from time to time on the Taxable /Invoice /Contract amount. Additionally, levies such as Stamp Duty, STT etc.

Statutory levies (including GST) on brokerage and transaction cost	GST of 18% or any other rate as may be levied from time to time on the brokerage and transaction cost. Other statutory levies such as STT, stamp duty, etc as applicable will be charged on turnover of securities.

Note: Direct Plan (investment not routed through a distributor) under the Investment strategy shall have a lower expense ratio excluding distribution expenses, commission etc. and no commission shall be paid from such Plan. Portfolio of the Investment strategy under the Regular Plan and Direct Plan will be common.

The TER of the Direct Plan will be lower to the extent of the distribution expenses/ commission which is charged in the Regular 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.

The purpose of the table is to assist the investor in understanding the various costs and expenses that an investor in the Investment strategy will bear directly or indirectly. These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations.

(2) Total Expense Ratio (TER) and Additional incentives:

(i)Total Expense Ratio (TER):

As defined in MF Regulations, 2026, Total expense ratio (TER) means the ratio of total of all expenses charged to the investors of the Investment strategy to the total asset under management of the Investment strategy.

The TER shall consist of the following components:

Base expense ratio (BER) (sub-regulation 7 of Regulation 66) - The BER shall be charged to the Investment strategy(s) within the base expense ratio limits* specified under the MF Regulations, 2026.

The BER shall include:

- Investment and Advisory fees (sub-regulation 4 of Regulation 66)
- Recurring expenses (sub-regulation 5 of Regulation 66)
- Charges/ commission/ fees related to distribution of mutual fund Investment strategies (Sub-regulation 6 of Regulation 66)

but excludes statutory levy applicable, if any, on above expenses and transaction cost specified under sub-regulation 10 of Regulation 66.

Brokerage Cost (sub-regulation 9 of Regulation 66) – Investment strategies may charge expense incurred towards brokerage, for the purpose of execution of trade, over and above the base expense ratio subject to a maximum of 0.06 per cent of trade value in case of cash market transactions and 0.02 per cent of trade value in case of derivatives transactions. Expense charged towards brokerage, over and above the specified limit, shall be part of the base expense ratio limit specified under sub regulation 7 of Regulation 66.

Transaction cost (sub-regulation 10 of Regulation 66) - incurred for the purpose of execution of a trade shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable. Such transaction costs shall not form part of the base expense ratio.

Statutory levy (clause yy of sub regulation 1 of Regulation 2) - means levy imposed by state government and central government.

Any expense other than those specified in sub-regulation (4), sub-regulation (5), sub regulation (6), sub-regulation (9) and sub-regulation (10), as mentioned above, shall not be charged to the Investment strategy and shall be borne by the AMC or trustee or sponsors.

No charges other than the base expense ratio, brokerage cost, transaction cost, statutory levy and exit load including levies as may be specified by SEBI, shall be charged to the investors.

Any expenditure in excess of the base limits specified in the MF Regulations shall be borne by the AMC or the trustees or sponsors. If any expense of the Investment strategy is borne by the AMC or by the trustees or sponsors, the same shall be done only after the investment and advisory fees charged to the Investment strategy, if any, is fully reversed.

Following AUM slab wise Base Expense Ratio Limits for Investment strategy shall be as per the limits prescribed under the MF Regulations:

Assets under management Slab (in Rs Crores)	**Base expense ratio limits**
On the first Rs 500 crores of the daily net assets	1.85 %
On the next Rs 250 crores of the daily net assets	1.65 %
On the next Rs 1250 crores of the daily net assets	1.40 %
On the next Rs 3000 crores of the daily net assets	1.25 %
On the next Rs 5000 crores of the daily net assets	1.15 %
On the next Rs 40,000 crores of the daily net assets	Expense ratio reduction of 0.05% for every increase of Rs 5000 crores of daily net assets or part thereof.
On balance of the assets	0.70 %

S.O.46

Additional incentives

As per the Provision No. 11.6 of Chapter 11 of SEBI Master Circular for Mutual Funds and applicable AMFI guidelines, the AMC shall pay additional commission to distributors for onboarding eligible new investors as given below, effective from March 01, 2026:

(a) Eligibility criteria:

a) New individual investors (new PAN) from B-30 cities at the mutual fund industry level

b) New women individual investors (new PAN) from both Top 30 and B-30 cities.

For further details on TER, please refer to SAI.

(ii) **Statutory Levy (Goods and Services Tax (GST))**

GST on exit load, if any, shall be paid out of the load proceeds. Exit load, net of GST, if any, shall be credited to the Investment strategy.

(iii) Investor Education and Awareness

SIF shall annually set apart atleast 2 bps on daily net assets within the maximum limit of BER for investor education and awareness initiatives.

S.O.44

(iv) Illustration of impact of expense ratio on Investment strategy's returns

Simple illustration to describe the impact of the expense ratio on returns of the Investment strategy.

	Particulars	**Regular Plan**	**Direct Plan**
A	Amount invested (Rs.)	10,000	10,000
B	Gross returns – assumed	14%	14%
C	Closing NAV before expenses (Rs.)	11400	11400
D	Investment strategy Expenses (Rs.)	150	150
E	Distribution Expenses (Rs.)	50	0
F	Total NAV after charging expenses (C-D-E)	11200	11250
G	Net returns to investor	12.0%	12.5%

• As per SEBI Regulation expenses are charged to the Investment strategy on daily basis on daily net assets and as per percentage limits specified by SEBI.

• The illustration is to simply describe the impact of expenses charged to the Investment strategy on Investment strategies returns and should not be construed as providing any kind of investment advice or guarantee of returns on investments.

• The above calculations are based on assumed NAVs, and actual returns on investment would be different.

(v) Change in expense ratio

AMCs shall prominently disclose on a daily basis, the TER (Investment strategy-wise, date-wise) of all Investment strategies under a separate head –"Total Expense Ratio of Mutual Fund Investment strategies" on their website and on the website of AMFI in a downloadable spreadsheet format.

Any change in the BER in comparison to previous BER charged to any Investment strategy/plan shall be communicated to investors of the Investment strategy/plan through notice via email or SMS at least three working days prior to effecting such change. Provided that any increase or decrease in BER in a mutual fund Investment strategy due to change in AUM and any decrease in BER in a mutual fund Investment strategy due to various other regulatory requirements would not require issuance of any prior notice to the investors.

The above change in the base BER in comparison to previous base BER charged to the Investment strategy shall be intimated to the Board of Directors of AMC along with the rationale recorded in writing.

The changes in BER shall also be placed before the Trustees on quarterly basis along with rationale for such changes.

D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the Investment Strategy. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to our website of www.utimf.com/classif or may call at (toll free no. 1800 209 3333/1800 425 5425.) or your distributor.

The following load structure would apply:

S.O.47

Type of Load	As % of NAV
Entry Load	(Not Applicable)#
Exit Load	NIL

In terms of provision no. 11.7.1 of para 11.7 of Chapter 11 of SEBI Master Circular for Mutual Funds, no entry load will be charged by the Investment strategy to the investors.

Please note that no Exit Load shall be levied for switching between Plans within the said Investment Strategy.

The AMC reserves the right to introduce a load structure, levy a different load structure or remove the load structure in the Investment Strategy at any time after giving notice to that effect to the investors. Goods & Service tax on exit load shall be paid out of the exit load proceeds and exit load net of goods & service tax shall be credited to the Investment Strategy.

The investor is requested to check the prevailing load structure of the Investment Strategy before investing.

Any imposition or enhancement of load shall be applicable on prospective investments only. At the time of changing the load structure, the Mutual Fund shall consider the following measures to avoid complaints from investors about investment in the Investment Strategy without knowing the load:

i. The addendum detailing the changes shall be attached to the ISID and Key Information Memorandum. The addendum shall be circulated to all the distributors/brokers so that the same can be attached to all ISID and Key Information Memorandum already in stock.
ii. Arrangements shall be made to display the addendum in the ISID in the form of a notice in all the official points of acceptance and distributors/brokers office.
iii. The introduction of the exit load alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and shall also be disclosed in the statement of accounts issued after the introduction of such load.
iv. Any other measures which the Mutual Fund may feel necessary.
v. For any change in load structure, AMC will issue an addendum and display it on the website/UTI Financial Centres.

Section II

I. Introduction

A. Definitions/interpretation

Please refer the below mentioned link for Definitions/ Interpretations:
www.utimf.com/classif

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B. Risk factors

Investment Strategy Specific Risk Factors:

1. Investment in SIF investment strategy units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.

2. As the price / value / interest rates of the securities in which the investment strategy invests fluctuates, the value of your investment in the investment strategy may go up or down.

3. Past performance of the Sponsors/AMC/Mutual Fund does not guarantee future performance of the investment strategy.

4. The name of the investment strategy does not in any manner indicate either the quality of the investment strategy or its future prospects and returns.

5. The sponsors are not responsible or liable for any loss resulting from the operation of the investment strategy beyond the initial contribution of Rs.10,000/- made by them towards setting up the Fund.

6. The present investment strategy is not a guaranteed or assured return investment strategy.

7. Statements/Observations made in the Investment Strategy Information Document are subject to the laws of the land as they exist at any relevant point of time.

8. Growth, appreciation, IDCW and income, if any, referred to in this Investment Strategy Information Document are subject to the tax laws and other fiscal enactments as they exist from time to time.

9. The NAVs of the Investment strategy may be affected by changes in the general markets conditions, factors and forces affecting capital market, in particular, level of interest rates, various markets related factors and trading volumes, settlement periods and transfer procedures.

10. **Credit Risk:** Bonds / debentures issued by corporates run the risk of down grading by the rating agencies and even default as the worst case. Securities issued by Central/State governments have lesser to zero probability of credit / default risk in view of the sovereign status of the issuer.

11. **Interest - Rate Risk:** Bonds / Government securities which are fixed income securities, run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The level of interest rates is determined by the rates at which government raises new money through RBI, the price levels at which the market is already dealing in existing securities, rate of inflation etc. The extent of fall or rise in the prices is a function of the prevailing coupon rate, number of days to maturity of a security and the increase or

decrease in the level of interest rates. The prices of Bonds / Government securities are also influenced by the liquidity in the financial system and / or the open market operations (OMO) by RBI.
Pressure on exchange rate of the rupee may also affect security prices. Such rise and fall in price of bonds / government securities in the portfolio of the investment strategy may influence the NAVs under the investment strategy as and when such changes occur.

12. **Liquidity Risk:** The Indian debt market is such that a large percentage of the total traded volumes on particular days might be concentrated in a few securities. Traded volumes for particular securities differ significantly on a daily basis. Consequently, the investment strategy might have to incur a significant "impact cost" while transacting large volumes in a particular security.

13. **Securities Lending:** It is one of the means of earning additional income for the investment strategy with a lesser degree of risk. Securities lending is lending of Securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent Securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the Securities borrowed. "The SLB shall be operated through Clearing Corporation/Clearing House of stock exchanges having nation-wide terminals who are registered as Approved Intermediaries (AIs)."
The risk is adequately covered as Securities Lending & Borrowing (SLB) is an Exchange traded product. Exchange offers an anonymous trading platform and gives the players the advantage of settlement guarantee without the worries of counter party default. However, the Fund may not be able to sell such lent securities during contract period or have to recall the securities which may be at higher than the premium at which the security is lent.

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

15. **Investment in overseas markets:** The success of investment in overseas markets depends upon the ability of the fund manager to understand conditions of those markets and analyse the information which could be different from Indian markets. Operations in foreign markets would be subject to exchange rate fluctuation risk besides market risks of those markets.

16. **Trading in debt and equity derivatives involves certain specific risks like**:
    a. Credit Risk: This is the risk of default by the counter party. This is usually to the extent of difference between actual position and contracted position. This risk is substantially mitigated where derivative transactions happen through clearing corporation.
    b. Market Risk: Market movement may also adversely affect the pricing and settlement of derivative trades like cash trades.
    c. Illiquidity Risk: The risk that a derivative product may not be sold or purchased at a fair price due to lack of liquidity in the market.
    d. An exposure to derivatives can lead to losses. Success of dealing in derivatives depends on the ability of the Fund Manager to correctly assess the future market movement and in the event of incorrect assessment, if any, performance of the investment strategy could be lower.
    e. Interest Rate Swaps (IRSs) and Forward Rate Agreements (FRAs) do also have inherent credit and settlement risks. However, these risks are substantially less as they are limited to the interest stream and not the notional principal amount.
    f. Participating in derivatives is a highly specialized activity and entails greater than ordinary investment risks. The overall market in these segments could be highly speculative due to action of other participants in the market.

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    g. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

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h. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

17. The aggregate value of "illiquid securities" of the investment strategy, which are defined by SEBI as non traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the investment strategy and any illiquid securities held above 15% of the total assets shall be assigned zero value.

18. In the event of receipt of inordinately large number of redemption requests or a restructuring of the investment strategies' portfolio, there may be delays in the redemption of units.

19. Different types of securities in which the investment strategy would invest as given in the Investment Strategy Information Document carry different levels and types of risk. Accordingly, the investment strategy's risk may increase or decrease depending upon its investment pattern. For e.g. Corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

20. **Investment Strategy specific risks factors**
    a. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, even though it is intended to generate capital appreciation and maximize the returns by actively investing in equity/ equity related securities.
    b. The value of the investments in the investment strategy, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the NAV of the Units of the Investment Strategy may fluctuate and can go up or down.
    c. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the equity and equity related investments made by the Investment strategy which could cause the investment strategy to miss certain investment opportunities. Different segments of the 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 inability of the Investment Strategy to make intended securities purchases due to settlement problems could also cause the Investment strategy to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the investment strategy's portfolio due to the absence of a well developed and liquid secondary market for debt securities would result, at times, in potential losses to the Investment strategy, in case of a subsequent decline in the value of securities held in the investment strategy's portfolio.
    d. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. Within the regulatory limits, the AMC may have chosen to invest in unlisted securities as permitted for investment by the investment strategy. Listed securities which may become unlisted in future may increase the risk in the portfolio.
    e. The Investment strategy may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument but also of the derivative itself. Other risks include the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Usage of derivatives will expose the Investment strategy to certain risks inherent to such derivatives.
    f. The Investment strategy may also invest in ADRs / GDRs as permitted by Reserve Bank of India and Securities and Exchange Board of India. To the extent that some part of the assets of the investment strategy may be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee.
    The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

g. The investment strategy intends to deploy funds in money market instruments to maintain liquidity. To the extent that some assets/funds are deployed in money market instruments, the investment strategy will be subject to credit risk as well as settlement risk, which might affect the liquidity of the investment strategy.

21. **Risk Factors specific to investments in Securitised Papers:**
Types of Securitised Debt vary and carry different levels and types of risks. Credit Risk on Securitised Bonds depends upon the Originator and varies depending on whether they are issued with Recourse to Originator or otherwise. A structure with Recourse will have a lower Credit Risk than a structure without Recourse. Underlying assets in Securitised Debt may assume different forms and the general types of receivables include Auto Finance, Credit Cards, Home Loans or any such receipts. Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of property mortgaged against these borrowings, nature of loan agreement/ mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loans, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.

Holders of the securitised assets may have low credit risk with diversified retail base on underlying assets especially when securitised assets are created by high credit rated tranches, risk profiles of Planned Amortisation Class tranches (PAC), Principal Only Class Tranches (PO) and Interest Only class tranches (IO) will differ depending upon the interest rate movement and speed of prepayment. Various types of major risks pertaining to Securitised Papers are as below:

Liquidity & Price risk - Presently, secondary market for securitised papers is not very liquid. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Delinquency and Credit Risk - Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any associate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the underlying Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

Prepayment Risk - Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contract may take place during the tenure of the paper. In the event of prepayments, investors may be exposed to changes in tenor and reinvestment risk.

22. **Risks associated with investment in units of mutual fund**:
Investment in Mutual Fund Units involves investment risks, including but not limited to risks such as liquidity risk, volatility risk, default risk including the possible loss of principal.

Liquidity risk – The liquidity of the investment strategy's investments is inherently restricted by trading volumes and settlement periods. In the event of an inordinately large number of redemption requests, or of a restructuring of the investment strategy's investment portfolio, these periods may become significant. In view of the same, the Trustees may limit redemptions (including suspending redemptions) under certain circumstances as specified under the Investment Strategy Information Document.

Volatility risks: There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The investment strategy will manage volatility risk through diversification across companies and sectors within PSUs.

Default risk - Credit risk is risk resulting from uncertainty in counterparty's ability or willingness to meet its contractual obligations. This risk pertains to the risk of default of payment of principal and interest. Government Securities have zero credit risk while other debt instruments are rated according to the issuer's ability to meet the obligations.

23. **Risks associated with investing in ETFs:**
ETFs are passively managed and may be affected by a general decline in the Indian markets relating to its Underlying Index. ETFs invests in the securities included in its Underlying Index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.

- ETFs are listed on a stock exchange/s, however, there can be no assurance that an active secondary market will develop or be maintained.
- Investment in ETFs is subject to tracking error. Factors such as the fees and expenses of the Investment strategy, corporate actions, cash balance, changes to the Underlying Index and regulatory policies may affect theAMC‟s ability to achieve close correlation with the Underlying Index of the Investment strategy. The AMC will endeavour to constantly minimize the tracking error and track the index as closely as possible.

24. **Risk factors associated with Structured Obligations –**
    a. There may be liquidity risk, since the market for structured products is not very deep.
    b. Structured obligations such as corporate / promoter guarantee: Securities which have a structure with a guarantee from the corporate / promoter, may see an adverse effect if there are any signs of stress at the promoter / group level, even though the standalone borrowing entity's debt servicing capability and repayments may not see any material impact, from a future cash flow perspective.

25. **Risks associated with Investing in Structured Obligation (SO) & Credit Enhancement (CE)**
Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms and could include guarantee, shortfall undertaking, letter of comfort, etc. from another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Credit enhancement could include additional security in form of pledge of shares listed on stock exchanges, etc. SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of car loan receivables, securities backed by trade receivables, credit card receivables etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.

Liquidity Risk: SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is adversely affected compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the investment strategy to sell such debt instruments and generate liquidity for the investment strategy or higher impact cost when such instruments are sold.

Credit Risk: The credit risk of debt instruments which are CE rated derives rating based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

26. **Risk factors associated with instruments having special features**

- The investment strategy shall invest in certain debt instruments with special features which may be subordinated to equity and thereby such instruments may absorb losses before equity capital. The instrument is also convertible to equity upon trigger of a pre-specified event for loss absorption as may be decided by the RBI.
- The debt instruments with special features are considered as Non-Convertible Debentures, may be treated as debt instruments until converted to equity.
- The instruments are subject to features that grants issuer a discretion in terms of writing down the principal/coupon, to skip coupon payments, to make an early recall etc. Thus debt instruments with special features are subject to "Coupon discretion", "Loss Absorbency", "Write down on Point of Non-viability trigger (PONV) event" and other events as more particularly described as per the term sheet of the underlying instruments.
- The instrument is also subject to Liquidity Risk pertaining to how saleable a security is in the market. The particular security may not have a market at the time of sale due to uncertain/insufficient liquidity in the secondary market, then the investment strategy may have to bear an impact depending on its exposure to that particular security.

27. **Risks associated with writing covered call options for equity shares**

Listed below are the risks associated with writing covered call options, in addition to the risks associated with derivative instruments.

- **Market Risk:** Appreciation in the underlying equity shares could lead to loss of opportunity in case of writing of covered call option. In case if the appreciation in equity share price is more than the option premium received, the appreciation in the investment strategy would be capped.

- **Liquidity Risk:** This strategy of writing covered call in a investment strategy will be used, provided the investment strategy has adequate number of underlying equity shares as per regulatory requirement. Subsequently, the investment strategy will have to set aside a portion of investment in the underlying equity shares.

Further, in case the covered call options are sold to the maximum extent as allowed under the purview of regulations, the investment strategy would be unable to sell the shares of the respective stock, to the extent that would be blocked under the covered call. Hence, if the call option contracts which have been written become illiquid, it may lead to a loss of opportunity or can cause exit issues.

As a result, it may happen that the investment strategy is not able to sell the underlying equity shares immediately, which can lead to temporary illiquidity of the underlying equity shares and may result in loss of opportunity.

28. **Risk factors associated with investing in Foreign Securities:**

Currency Risk:

Moving from Indian Rupee (INR) to any other currency entails currency risk. To the extent that the assets of the Investment strategy will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee.

Interest Rate Risk:

The pace and movement of interest rate cycles of various countries, though loosely co-related, can differ significantly. Hence by investing in securities of countries other than India, the Investment strategy stands exposed to their interest rate cycles.

Credit Risk:

Investment in Foreign Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. This is substantially reduced since the SEBI (MF) Regulations stipulate investments only in debt instruments with rating not below investment grade by accredited/registered credit rating agency.

To manage risks associated with foreign currency and interest rate exposure, the Mutual Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.

Country Risk:

The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

To manage risks associated with foreign currency and interest rate exposure, the Mutual Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.

29. **Risk factors associated with investing in Derivatives**
    (a) The AMC, on behalf of the Investment strategy may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivativ\e itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
    (b) Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
    (c) The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
    (d) **Credit Risk**: The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction.
    (e) **Illiquidity risk:** This is the risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

30. **Risk Management framework to mitigate liquidity risk is summarised as below:**

Diversified portfolio – The portfolio held is well diversified in terms of issuer, group and sector, in line with regulatory guidelines and internal Risk Metrics.

Borrowing – A fund may borrow up to 20% of AUM (or such higher limits as may be allowed by the regulator from time to time) to meet redemption requirements.

Stress testing – Stress Testing is an exercise to simulate adverse scenario on our portfolio based on the past events, and assess the impact such event on the portfolio. This helps in raising timely alerts to take necessary action to address the situation.

31. **Participation in repo in corporate debt securities:-**

In line with para 13.8 of SEBI master circular of Mutual Funds, and read along any other circulars issued by SEBI/ RBI from time to time, the Investment strategy may participate in repo transactions in Corporate Debt Securities, within the following overall framework, as per the guidelines of Securities and Exchange Board of India and Boards of UTI Trustee Company Private Limited & UTI Asset Management Company Limited:

(A) Eligibility

The investment strategy can participate in repos on following corporate debt securities:

- Listed AA and above rated corporate debt securities
- Commercial Papers (CPs) and Certificate of Deposits (CDs)

For the purpose of consideration of credit rating of exposure on repo transactions for various purposes including for Potential Risk Class (PRC) matrix, liquidity ratios, Risk-o-meter etc., the same shall be as that of the underlying securities, i.e., on a look through basis.

(B) Gross Exposure Norms

(i) The gross exposure of any investment strategy to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned investment strategy.

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(ii) The cumulative gross exposure through equity, debt, derivatives, repo transactions, InvITs, ADR/GDR/Foreign securities and such other securities/assets as may be permitted by the SEBI from time to time, and such other securities/assets subject to regulatory approvals, if any, as may be permitted by the SEBI from time to time should not exceed 100% of the net assets of the investment strategy.

(iii) For transactions where settlement is guaranteed by a Clearing Corporation, the exposure shall not be considered for the purpose of determination of investment limits for single issuer, group issuer and sector level limits.

(C) Category of the counter-party to be considered for making investment

All entities eligible for transaction in corporate debt repos, as defined by Reserve Bank of India (RBI) and SEBI, shall be considered for repo transactions.

(D) Credit Rating of Counterparty to be considered for making investment

The investment strategy shall carry out repo transactions with only those counterparties, who have a credit rating of 'AA- and above' (Long term rating) or 'A1+' (Short term rating).

(E) Tenor of Repo

As a repo seller, the investment strategy can borrow for a period not more than six months as per the existing Regulation 42 of the SEBI (Mutual Funds) Regulations, 2026.

As a repo buyer, the investment strategy can lend for a maximum period of one year, subject to provision/s of the Investment Strategy Information Document (SID).

(F) Tenor and Credit Rating of the Collateral

The investment strategy shall participate in repo transactions in listed Corporate Bonds rated 'AA' and above ('A1+' in respect of money market instruments).

The tenor of the collateral shall not be more than 10 years.

For the purpose of consideration of credit rating of exposure on repo transactions for various purposes including for Potential Risk Class (PRC) matrix, liquidity ratios, Risk-o-meter etc., the same shall be as that of the underlying securities, i.e., on a look through basis.

(G) Minimum Haircut

The repo transactions shall be maintained in accordance with the applicable RBI guidelines, as amended from time to time.

(H) Risk factors and mitigation measures Risk factors of repo market

(i) Illiquidity Risk - The repo market for corporate debt securities is over the counter (OTC) and illiquid. Hence, repo obligations cannot be easily sold to other parties. Therefore, to mitigate such risks, it has been stipulated that gross exposure to Repo in corporate bonds would be limited to 10% of net assets of the concerned investment strategy. Further, the tenor of repo would be taken based on nature and unit holders' pattern of the investment strategy.

(ii) Counter-party Risk - Credit risk would arise if the counter-party fails to repurchase the security as contracted or if counterparty fails to return the security or interest received on due date. To mitigate such risks, the investment strategies shall carry out repo transactions with only those counterparties, which has a credit rating of 'A1+' or 'AA- and above'. In case of lending of funds as a repo buyer, minimum haircuts on the value of the collateral security have been stipulated, and we would receive the collateral security in the investment strategy's account before the money is lent to the counter-party. Overall, we would have a limited number of counter-parties, primarily comprising of Mutual Funds, Scheduled Commercial banks, Financial Institutions and Primary dealers.

Similarly, in the event of the investment strategy being unable to pay back the money to the counterparty as contracted, the counter-party may hurriedly dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to the Investment strategy. Thus, the Investment strategy may suffer losses in such cases. Sufficient funds flow management systems are in place to mitigate such risks.

(iii) Collateral Risk (as a repo buyer) - Collateral risks arise due to fall in the value of the security (change in credit rating and/or interest rates) against which the money has been lent under the repo arrangement. To mitigate such risks, we have stipulated the minimum credit rating of the issuer of collateral security ('AA' for long-term instruments /A1+ for money market instruments), maximum duration of the collateral security (10 years) and minimum haircuts on the value of the security.

32. **Participating in Derivative Products:**

Derivatives: - A derivative instrument, broadly, is a financial contract whose payoff structure is determined by the value of an underlying security, index, interest rate etc. Thus a derivative instrument derives its value from some underlying variable.

Derivatives are further classified into:-

Futures: A futures contract is a standardized contract between two parties where one of the parties commits to sell, and the other to buy, a stipulated quantity of a security at an agreed price on or before a given date in future.

Options: An option is a derivative instrument, which gives its holder (buyer) the right but not the obligation to buy or sell the underlying security at the contracted price on or before the specified date. The purchase of an option requires an up-front payment (premium) to the seller of the option.

There are two basic types of options, call option and put option.

(a) Call option: A call option gives the buyer of the option the right but not the obligation to buy a given quantity of the underlying asset, at a given price (strike price), on or before a given future date.

(b) Put option: A put option gives the buyer of the option the right but not the obligation to sell a given quantity of the underlying asset, at a given price (strike price), on or before a given future date.

On expiry of a call option, if the market price of the underlying asset is lower than the strike price the call would expire unexercised. Likewise, if, on the expiry of a put option, the market price of the underlying asset is higher than that of the strike price the put option will expire unexercised.

The buyer/holder of an option can make loss of not more than the option premium paid to the seller/writer but the possible gain is unlimited. On the other hand, the option seller/writer's maximum gain is limited to the option premium charged by him from the buyer/holder but can make unlimited loss.

33. **Covered Call Options**

A call option gives the holder (buyer) the right but not the obligation to buy an asset by a specific date for a specific price. Covered calls are an options strategy that consists of writing (selling) call options of a stock that is covered by an equivalent long (buy) stock position in the portfolio.

Benefits of using Covered Call strategy in Mutual Funds:

The covered call strategy can be followed by the Fund Manager to hedge risk subsequently resulting in better risk adjusted returns for the Investment strategy. Following are the benefits offered by this strategy:

a. Hedge against market risk - Since the fund manager sells a call option on a stock already owned by the mutual fund investment strategy, the downside from fall in the stock price would be lower to the extent of the premium earned from the call option.
b. Generating additional returns in the form of option premium in a range bound market. Thus, a covered call strategy involves gains for unit holders in case the strategy plays out in the right direction.

Illustration:

As on Nov 1, 2022		
Strategy	**Total Quantity**	**Price (in INR)**
Buy Stocks of Company A	100	1000
Write (sell) call options of the Company A – Nov 2022 expiry with a strike price of Rs.1050 Total Premium Received for writing call option = Rs.1000 (10*100)	1 (lot size = 100 stocks)	10

	Market Scenario on the day of Expiry of Options Contract	**Payoffs from the Covered Call strategy & Impact on the Portfolio**
Scenario 1	Market goes up and the stock price of Company A goes up to Rs.1030 Call Option will expire worthless (strike price (Rs.1050) > underlying stock price (Rs.1030)) → Option writer can keep the option premium	Stock Return = Rs.(1030 - 1000) * 100 = Rs.3000 Return from Option = Option Premium received = Rs.1000 Net Gain from the strategy = Rs. (3000 + 1000) = Rs.4000
Scenario 2	Market goes up and the stock price of Company A goes up to Rs.1100 Call Option in the money: Strike Price (Rs.1050) < Stock Price (Rs.1100) → Option writer to pay	Stock Return = Rs. (1100 - 1000) * 100 = Rs.10,000 Option Premium received = Rs.1000 Payment done to option buyer = Rs.5000 Net Return from Option = (-)Rs.5000 + Rs.1000 = (-)Rs.4000

	option buyer Rs.5000 (Rs.50*100) & receive option premium Rs.1000	Net Gain from the strategy = Rs.10,000 – Rs.4000 = Rs.6000

Swaps:

The exchange of a sequence of cash flows that derive from two different financial instruments. For example, the party receiving fixed in an ordinary Interest Rate Swap receives the excess of the fixed coupon payment over the floating rate payment. Of course, each payment depends on the rate, the relevant day count convention, the length of the accrual period, and the notional amount.

Debt derivatives are as of now customized over the counter products and there is no guarantee that these products will be available on tap. There are various possible combinations of strategies, which may be adopted, in a specific situation. The provision for trading in derivatives is an enabling provision and it is not binding on the Investment strategy to undertake trading on a day to day basis.

Some of the derivative techniques / strategies that may be used are:-

(i) The investment strategy will use hedging techniques including dealing in derivative products – like futures and options, warrants, interest rate swaps (IRS), forward rate agreement (FRA) as may be permissible under SEBI (MF) Regulations.
(ii) The investment strategy may take derivatives position based on the opportunities available and in line with the overall investment objective of the investment strategy. This may be taken to hedge the portfolio and rebalance the same.
(iii) The Fund manager may use various strategies for trading in derivatives with a view to enhancing returns and taking cover against possible fluctuations in the market.
(iv) The Fund Manager may sell the index forward by taking a short position in index futures to save on the cost of outflow of funds or in the event of negative view on the market.

34. **Participation in Interest Rate Futures**

(i) **Investment Norms:** - To reduce interest rate risk in a debt portfolio, the investment strategy may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio is as per the formula given below:
(Portfolio Modified Duration * Market Value of the Portfolio) / (Futures Modified Duration * Futures Price / Par Value)

At no point of time, the net modified duration of part of the portfolio being hedged shall be negative.

In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

Imperfect hedging using IRFs will be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the investment strategy, subject to certain conditions such as exposure to IRFs is created only for hedging, the correlation between the portfolio and the IRF is atleast 0.9 etc. as prescribed in above mentioned SEBI circular.

(ii) **Risk involved in imperfect hedging using Interest Rate Futures (IRFs)** - With imperfect hedging, there is a risk that offsetting investments in a hedging strategy will not experience price changes in entirely same direction from each other. This imperfect correlation between the two investments creates the potential for excess gains or losses in a hedging strategy, thus adding risk to the position.
For example, in the attempt to hedge interest rate risk of the investment strategy (diversified portfolio of various debt securities) with a modified duration of say 6 years, the fund manager takes a short position in 10 year IRF

having a modified duration of 6 years. The risk is that price changes in IRF and the investment strategy portfolio may not move in the same direction or in the same proportion.

Numerical Example:

To understand risk associated with imperfect hedging let us look at the following illustration:

On Nov 1, 2021 the fund buys Rs. 100 Crs of 10 year Power Finance Co. (corporate bond) with a modified duration of 6 years from the spot market at a yield of 7.50% (Price: Rs. 100). Subsequently, it is anticipated that the interest rate will rise in the near future. Therefore, to hedge the exposure in underlying corporate bond, the fund sells Nov 2021, 10 year benchmark Interest Rate Futures at yield of 7.00% (Price: Rs. 98.50) having a modified duration of 6 years.

Let us assume the following two scenarios:

(i) Both the securities experience price changes in the same direction:
On Nov 15, 2021 the corporate bond and government bond yields move up by 10 basis points (0.10%) on back of deteriorating macro economic factors.

Loss in Corporate Bond Holding = Portfolio Value * Change in Interest Rate * Modified Duration

Loss in Corporate Bond Holding = Rs. 100 Crs * 0.10% * 6 = (Rs. 60 Lacs)

Similarly, Profit on short selling of Interest Rate Futures = Rs. 100 Crs * 0.10% * 6 = Rs. 60 Lacs

This allows the fund manager to hedge the portfolio against interest rate movement using Interest Rate Futures.

(ii) Securities experience price changes in the opposite direction:
On Nov 15, 2021 the corporate bond yield moves up by 10 basis points (0.10%) on back of higher supply of corporate bonds & the government bond yield fell by 5 bps due to improving macro economic factors.

Loss in Corporate Bond Holding = Portfolio Value * Change in Interest rate * Modified Duration

Loss in Corporate Bond Holding = Rs. 100 Crs * 0.10% * 6 = (Rs. 60 Lacs)

Similarly, Loss on short selling of Interest Rate Futures = Rs. 100 Crs * 0.05% * 6 = (Rs. 30 Lacs)

On certain instances like the one illustrated above, it is observed that the co-relation between the corporate bonds and government securities may not be perfect over a short period of time leading to imperfect hedging which may result in higher loss/ gain from the strategy. The likelihood of such instances being prevalent on a sustainable basis is expected to be minimal due to strong correlation between government securities & bond markets over the medium to long term.

35. **Risk factors associated with investments in InvITs –**

Volatility of distributions

The InvITs distributions will be based on the Net Distributable Cash Flows available for distribution, and not on whether the InvITs makes an accounting profit or loss. The amount of cash available for distribution principally depends upon the amount of cash that the InvIT receives as dividends or the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate based on, among other things.

- Economic cycles and risks inherent in the business which may negatively impact valuations, returns and profitability of portfolio assets.

- Force majeure events related such as earthquakes, floods etc. rendering the portfolio assets inoperable.
- Debt service requirements and other liabilities of the portfolio assets.
- Fluctuations in the working capital needs of the portfolio assets.
- Ability of portfolio assets to borrow funds and access capital markets.
- Changes in applicable laws and regulations, which may restrict the payment of dividends by portfolio assets.
- Amount and timing of capital expenditures on portfolio assets.
- Insurance policies may not provide adequate protection against various risks associated with operations of the InvIT such as fire, natural disasters, accidents.

Operational and residual risks

- InvITs Assets are subject to various risks that we may not be insured against, adequately or at all, including:
    i. Changes in governmental and regulatory policies;
    ii. Shortages of, or adverse price movement for, materials, equipment and plants;
    iii. Design and engineering defects;
    iv. Breakdown, failure or substandard performance of the underlying assets and other equipment's;
    v. Improper installation or operation of the underlying assets and other equipment;
    vi. Terrorism and acts of war;
    vii. Inclement weather and natural disasters;
    viii. Environmental hazards, including earthquakes, flooding, tsunamis and landslide.
- Any additional debt financing or issuance of additional Units may have a material, adverse effect on the InvITs distributions.
- Any future issuance of Units by InvITs or sales of Units by the Sponsor or any of other significant Unitholders may materially and adversely affect the trading price of the Units.
- The Valuation Report, and any underlying reports, and the valuation contained therein may not be indicative of the true value of the Project SPVs' assets.
- Risk related to business or industry sector.
- There can be no assurance that InvITs will be able to successfully undertake future acquisitions.

Market Risk: - InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. NAV of the Investment strategy is vulnerable to movements in the prices of securities invested by the investment strategy, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures.

Liquidity Risk: - As the liquidity of the investments made by the investment strategy(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for liquidating the investments in the investment strategy may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the investment strategy portfolio risk. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.

Reinvestment Risk: - Investments in 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.

Price-Risk or Interest-Rate Risk: - InvITs run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

Credit Risk: - In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.

36. **Risk factors relating to investments in Gold ETFs**

a. The price of gold may fluctuate due to various reasons which are:

(i) Global gold supplies and demand, which is influenced by factors such as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, and productions and cost levels in major gold producing countries such as the South Africa, the United States and Australia.
(ii) Investor's expectations with respect to the rate of inflation.
(iii) Currency exchange rates.
(iv) Interest rates
(v) Investment and trading activities of commodity funds/hedge funds.
(vi) Global or regional political, economic or financial events and situations.

In addition, there is no assurance that gold will maintain its long-term value in terms of purchasing power in the future. In the event that the price of gold declines, the value of investment in units in which the investment strategy has invested will, in general, decline proportionately.

b. There may be certain circumstances that may motivate large-scale sales of gold by the issuer of Gold ETFs which could decrease the price of gold and adversely affect the value of investment in the Gold ETFs in which the Investment strategy has invested.

c. The gold underlying in the Gold ETFs in which the Investment strategy has invested may be subject to loss, damage, theft, or restriction on access. There is a risk that part or all of the underlying gold of the Gold ETFs could be lost, damaged or stolen. Access to the said gold could also be restricted by natural events (such as earthquake) or human actions (such as terrorist attack). Any of these actions may adversely affect investment value of the Gold ETFs in which the Investment strategy has invested.

d. **Impact cost risk**:

Impact costs are implicit costs also which is paid by liquidity demanders to liquidity providers. Generally, the best bid and ask prices quoted in the market are for only small transactions. Larger transactions may have to be executed at even less favorable prices. The additional cost is called an impact cost. For e.g. if the ruling market price of a security is `500/- one may be able to buy/sell small quantities for that price. But, if one wishes to buy/sell huge quantities he might have to pay /receive higher/ lower price. Similarly, absence of adequate liquidity of Gold ETF units may impact the cost of purchasing and selling the Gold ETF units.

e. Changes in indirect taxes like custom duties for import, sales tax, GST or any other levies will have an impact on the valuation of gold and consequently the NAV of the units in which the investment strategy has invested.

37. **Risk factors relating to investments in Silver ETFs**

a. The price of silver may fluctuate due to various factors such as: –

(i) Global silver supplies and demand, which is influenced by factors such as forward selling by silver producers, purchases made by silver producers to unwind silver hedge positions, central bank purchases and sales, and productions and cost levels in major silver producing countries such as the South Africa, the United States, Australia and China.
(ii) Currency exchange rates.
(iii) Investor's expectations with respect to the rate of inflation.
(iv) Interest rates
(v) Investment and trading activities of commodity funds/hedge funds.
(vi) Global or regional political, economic or financial events and situations.

(vii) In addition, there is no assurance that silver will maintain its long-term value in terms of purchasing power in the future. In the event that the price of silver declines, the value of investment in units in which the investment strategy has invested will, in general, decline proportionately.

b. The sale of silver by AMC to pay expenses will reduce the amount of silver represented by each unit on an ongoing basis irrespective of whether the trading price of the units rises or falls in response to changes in the price of silver.

c. The sale of the Investment strategy's silver to pay expenses at a time of low silver prices may adversely affect the value of the units.

d. There may be certain circumstances that may motivate large scale sales of silver which could decrease the price of silver and adversely affect an investment in the Units.

e. The Investment strategy's silver may be subject to loss, damage, theft or restriction on access. There is a risk that part or all of the Investment strategy's silver could be lost, damaged or stolen. Access to the Investment strategy's silver could also be restricted by natural events (such as earthquake) or human actions (such as terrorist attack). Any of these actions may adversely affect the operations of the investment strategy and consequently an investment in units.

f. **Impact cost risk:** The investment strategy may have to bear the impact cost arising from purchase and sale of Silver either when the investment strategy accepts/gives cash or cash equivalents in lieu of Silver.
Impact costs are implicit costs also paid by liquidity demanders to liquidity providers. Generally, the best bid and ask prices quoted in the market are for only small transactions. Larger transactions may have to be executed at even less favorable prices. The additional cost is called an impact cost. For e.g. if the ruling market price of a security is Rs.500/ – one may be able to buy/sell small quantities for that price. But, if one wishes to buy/sell huge quantities he might have to pay /receive higher/lower price. The same principle applies for silver also.

g. Changes in indirect taxes like GST, custom duties for import, etc or any other levies will have an impact on the valuation of silver and consequently the NAV of the Investment strategy.

38. **Risk factors associated with Creation of Segregated Portfolio –**

a. Investor holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer.
b. Security comprises of segregated portfolio may not realise any value.
c. Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

39. **Deployment of NFO Proceeds in Triparty Repo on government securities or treasury bill:**

In terms of SEBI master circular, NFO proceeds may be deployed in Triparty Repo on government securities or treasury bill before after the closure of NFO period until allotment of units. However, no investment management and advisory fees will be charged on funds deployed in Triparty Repo on government securities or treasury bills during the NFO period. Further, the appreciation received from investment in Triparty Repo on government securities or treasury bill shall be passed on to the investors. In case the minimum subscription amount is not garnered by the investment strategy during the NFO period, the interest earned upon investment of NFO proceeds in Triparty Repo on government securities or treasury bill shall be returned to investors, in proportion of their investments, alongwith the refund of the subscription amount.

40. **Risk Factors for Debt:**
Basis Risk: Basis Risk refers to the risk arising from imperfect correlation between the movement in the price/yield of a debt security and the movement in the benchmark yield or reference rate. Differences in liquidity, maturity profile, issuer characteristics and market conditions may result in the security performing differently from the benchmark, thereby affecting the Scheme's performance.

Spread Risk: Spread Risk refers to the risk arising from changes in the credit spread of a debt security over the risk-free benchmark yield. Credit spreads may widen due to deterioration in issuer fundamentals, liquidity conditions, macroeconomic developments or changes in investor sentiment, resulting in a decline in the market value of such securities.

Risk associated with investment in Unrated Instruments: Investments in unrated debt instruments are subject to relatively higher credit risk and liquidity risk as compared to rated instruments since there is no independent external assessment of the issuer's creditworthiness. Such securities may also witness lower secondary market liquidity and greater price volatility. The Scheme shall invest in unrated instruments only after carrying out an internal credit appraisal and within the limits prescribed under the SEBI Regulations and internal risk management framework.

Risk associated with Credit Default Swaps (CDS): Credit Default Swaps are derivative instruments that transfer credit risk from one party to another. Investments in CDS are exposed to counterparty risk, credit event risk, valuation risk and liquidity risk. Failure of the counterparty to honour its obligations or changes in the credit quality of the reference entity may adversely impact the value of the transaction. The Scheme shall undertake CDS transactions only in accordance with the SEBI Regulations and applicable internal risk management policies.

Counterparty Risk: The Scheme may be exposed to counterparty risk arising from repo transactions, credit default swaps, derivative transactions, securities lending and other permitted transactions. Failure of a counterparty to fulfil its contractual obligations may result in financial loss to the Scheme. Such risk shall be mitigated through dealing with approved counterparties, prescribed exposure limits, collateral requirements wherever applicable and continuous monitoring**.**

Credit Migration Risk: The credit quality of an issuer may change over time due to changes in its financial position, business environment or market conditions. Any downgrade in the credit rating of a debt security may adversely impact its market value and consequently the NAV of the Scheme.

Requirement Of Minimum Investors In The Investment Strategy

The Investment strategy shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Investment strategy. However, if such limit is breached during the NFO of the Investment strategy, the Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Investment strategy, whichever is earlier, the Investment strategy complies with these two conditions. In case the Investment strategy does not have a minimum of 20 investors in the stipulated period, the provisions of 36(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Investment strategy shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, 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. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

Risk mitigation factors: - The UTI AMC Ltd. (AMC) endeavours to invest in InvITs, where adequate due diligence and research has been performed by AMC. The AMC also relies on its own research as well as third party research. This involves one-to-one meetings with the managements, attending conferences and analyst meets and also tele-conferences. The analysis will focus, amongst others, on the strength of management, predictability and certainty of cash flows, value of assets, capital structure, business prospects, policy environment, volatility of business conditions, etc.

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C. Risk mitigation strategies

The Investment Strategy may use various derivative products as permitted by the Regulations. Participating in derivatives is a highly specialized activity and entails greater than ordinary investment risks. Primarily, derivatives including Interest Rate Futures would be used for purpose of hedging and portfolio balancing.

The AMC has necessary framework in place for risk mitigation at an enterprise level. The Risk Management division is an independent division within the organization. Risk indicators & internal limits are defined and judiciously monitored on a regular basis. There is a Board level Committee, the Risk Management Committee of the Board, which enables a dedicated focus on risk factors and the relevant risk mitigation measures.

Nature of Risk	**Risk Mitigation by AMC**
For making investments in Equity and Equity Related Instruments	
Volatility	By monitoring sector / company exposure at portfolio level.
Concentration	The fund manager will endeavor to build a well diversified portfolio within the overall fund specific investment strategy through diversification across stocks/sectors.
Liquidity	Periodical review of the liquidity position of each scrip (Market capitalization, average volume in the market vis-à-vis Portfolio Holding). The fund manager will monitor and manage the liquidity at portfolio construction level.
Derivatives Risk As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds.	The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Derivatives will be used in the form of Index Options, Index Futures, Stock Options and Stock Futures and other instruments as may be permitted under the Regulations. Fund managers will endeavor to use derivatives which are relatively liquid and traded frequently on the exchanges. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID.
Currency Risk The Scheme may invest in foreign securities as permitted by the concerned regulatory authorities in India. Since the assets will be invested in securities denominated in foreign currency, the INR equivalent of the net assets, distributions and income may be adversely affected by changes / fluctuations in the value of the foreign currencies relative to the INR.	The Scheme may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities. All currency derivatives trade, if any will be done only through the stock exchange platform.
For making investments in Fixed Income and Money Market Instruments	
Credit Risk	In addition to external ratings by accredited credit rating agencies, the credit team will undertake independent credit assessment capturing quantitative (financial statements) and qualitative aspects (accounting policies, management quality, disclosure standards etc.) to assess fundamental credit strength and guide investment decisions. There is also a regulatory cap on exposure to each issuer to ensure a diversified portfolio and reduced credit risk.

Liquidity or Marketability Risk This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM).	The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. The Scheme will however, endeavor to minimize liquidity risk by investing in securities having a relatively liquid market.
Investing in unrated securities	The schemes have a rigorous credit research process and such investments, if any, are analysed and approved by the Investment Review Committee before investment. There is also a regulatory and internal cap on exposure to unrated issuers, limiting exposure.
Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are not invested and no return is earned thereon.	The AMC has a strong operations team and well laid out processes and systems, which mitigate operational risks attached with settlement process.
Investing in Securitised Debt	Investment in securitized debt (especially pool securities) is subject to prepayment risk. Reinvestment risk is inherent in portfolio management. It can be managed by investing in securities with relatively low intermittent cash flows.
Reinvestment Risk	Reinvestment risk is an inherent feature of portfolio management. It may be managed, to a certain extent, by seeking to invest in securities with low intermittent cash flows.

Risk mitigation strategies for investments with each kind of originator

For a complete understanding of the policy relating to selection of originators, the AMC has first analysed below risks attached to a securitization transaction. In terms of specific risks attached to securitization, each asset class would have different underlying risks, however, residential mortgages are supposed to be having lower default rates as an asset class. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher, which helps in making their overall risks comparable to other AAA/AA rated asset classes.

The Investment Strategy may invest in securitized debt assets. These assets would be in the nature of Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) with underlying pool of assets and receivables like housing loans, auto loans and single corporate loan originators. The Investment Strategy intends to invest in securitized instruments rated AAA/AA by a SEBI recognized credit rating agency.

Before entering into any securitization transaction, the risk is assessed based on the information generated from the following sources:

i. Rating provided by the rating agency
ii. Assessment by the AMC

(1) Assessment by a Rating Agency Asset risk

In its endeavor to assess the fundamental uncertainties in any securitization transaction, a credit rating agency normally takes into consideration following factors:

Credit Risk: - Credit risk forms a vital element in the analysis of securitization transaction. Adequate credit enhancements to cover defaults, even under stress scenarios, mitigate this risk. This is done by evaluating following risks:

- Asset risk
- Originator risk
- Portfolio risk
- Pool risks

The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are 'cherry-picked' using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of instalments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analyzed with regard to geographical location, borrower profile, LTV, and tenure.

Counterparty Risk: - There are several counterparties in a securitization transaction, and their performance is crucial. Unlike in the case of credit risks, where the risks emanate from a diversified pool of retail assets, counterparty risks result in either performance or non-performance. The rating agencies generally mitigate such risks through the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure. The risks assessed under this category include:

- Servicer risk
- Commingling risk
- Miscellaneous other counterparty risks

Legal Risks: - The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction.

Market Risks: - Market risks represent risks not directly related to the transaction, but other market related factors, stated below, which could have an impact on transaction performance, or the value of the investments to the investors.

- Macro-economic risks
- Prepayment risks
- Interest rate risks

Other Risks associated with investment in securitized debt and mitigation measures

Limited Liquidity and Price Risk: - There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.

Risk Mitigation: Securitized debt instruments are relatively illiquid in the secondary market and hence they are generally held to maturity. The liquidity risk and HTM nature is taken into consideration at the time of analyzing the appropriateness of the securitization.

Limited Recourse, Delinquency and Credit Risk: - The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent of the Seller, Issuer and Originator.

No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

Risk Mitigation: In addition to careful scrutiny of credit profile of borrower/pool additional security in the form of adequate cash collaterals and other securities may be obtained to ensure that they all qualify for similar rating.

Risks due to possible prepayments: Weighted Tenor / Yield - Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments Full prepayment of underlying loan contract may arise under any of the following circumstances;

- Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or
- Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
- The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same
- In the event of prepayments, investors may be exposed to changes in tenor and yield.

Risk Mitigation: A certain amount of prepayments is assumed in the calculations at the time of purchase based on historical trends and estimates. Further a stress case estimate is calculated and additional margins are built in.

Bankruptcy of the Originator or Seller:

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale, then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a “True Sale”. Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Risk Mitigation: Normally, specific 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'. It is also in the interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.

Bankruptcy of the Investor’s Agent:

If Investor’s agent becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor’s Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor’s Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor’s Agent. Legal opinion is normally obtained to the effect that the Investors Agent’s recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

Risk Mitigation: All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor’s Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor’s Agent.

Risk of Co-mingling:

With respect to the Certificates, the Servicer will deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

(2) Assessment by the AMC

Track record: - The AMC ensures 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.

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 strategic framework for credit analysis, which entails a detailed financial risk assessment.

Management 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

Critical Evaluation Parameters (For Pool Loan and Single Loan Securitization Transactions)

Typically, the AMC would avoid investing in securitization transaction (without specific risk mitigant strategies / additional cash/security collaterals/ guarantees) if there are 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 consolidated level/ group level
- Higher proportion of reschedulement of underlying assets of the pool or loan, as the case may be
- Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan, as the case may be.

Table below illustrates the factors which may be taken into account while evaluating investment decision relating to a pool securitization transaction:

Characteristics/Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Micro Finance Pools	Personal Loans

Approximate Average maturity (in Months)	36-120 months	12-60 months	12-60 months	15-48 months	15-80 weeks	5 months-3 years
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	3-10%	4-12%	4-13%	4-15%	5-15%	5-15%
Average Loan to Value Ratio	75%-95%	80%-98%	75%-95%	70%-95%	Unsecured	Unsecured
Average seasoning of the Pool	3-5 months	3-6 months	3-6 months	3-5 months	2-7 weeks	1-5 months
Maximum single exposure range	4-5%	3-4%	NA (Retail Pool)	NA (Retail Pool)	NA (Very Small Retail loan)	NA (Retail Pool)
Average single exposure range %	0.5%-3%	0.5%-3%	<1% of the Fund size	<1% of the Fund size	<1% of the Fund size	<1% of the Fund size

Notes:

1. Retail pools are the loan pools relating to Car, 2 wheeler, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.
2. Information illustrated in the Tables above, is based on the current scenario relating to Securitized Debt market and is subject to change depending upon the change in the related factors.
3. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments
4. Majority of our securitized debt investments shall be in asset backed pools wherein the AMC may have underlying assets as Medium and Heavy Commercial Vehicles, Light Commercial Vehicles (LCV), Cars, and Construction Equipment etc. Where the AMC invest in Single Loan Securitization, as the credit is on the underlying issuer, the AMC focuses on the credit review of the borrower.

In addition to the factors, the AMC 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
- Average Original Maturity of the Pool
- Delinquency Distribution
- Geographical Distribution
- Loan to Value Ratio
- Average seasoning of the pool
- Risk Tranching:

Typically, the AMC would avoid investing in mezzanine debt or equity of Securitized debt in the form of sub ordinate tranche, without specific risk mitigant strategies / additional cash / security collaterals/ guarantees, etc.

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

Investments made by the scheme in any asset are done based on the requirements of the scheme and is in accordance with the investment policy. All Investments are made entirely at an arm's length basis with no consideration of any existing / consequent investments by any party related to the transaction (originator, issuer, borrower etc.). Investments made in Securitized debt are made as per the Investment pattern of the Scheme and are done after detailed analysis of the underlying asset. There might be instances of Originator investing in the same scheme but both the transactions are at arm's length and avoid any conflict of interest.

In general, 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. Monthly Pool Performance MIS is received from the trustee and is analyzed for any variation. The entire securitized portfolio is published in the fact sheet and disclosed in the website with details of underlying exposure and originator.

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.

II. Information about the investment strategy:

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A. **Where will the investment strategy invest** –

Subject to the Regulations and the disclosures as made under the Section "How the Investment strategy will allocate its Assets", the corpus of the Investment Strategy can be invested in any (but not exclusive) of the following securities/instruments:

- Domestic Equity and equity related instruments including, convertible bonds, debentures and warrants etc. carrying the right to obtain equity shares.
- Debt and money market instruments including securitized debt
- Derivatives instruments like Stock / Index Futures, Stock/ Index Options etc traded on derivatives markets in India and any other derivative instruments permitted by SEBI.
- Units of InvITs
- Units of Mutual Fund (including ETFs)
- Investment in overseas securities, including units of overseas Mutual Funds/ ETFs, shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.
- ADRs/GDRs issued by Indian companies subject to the guidelines issued by the RBI and SEBI.
- Equity of overseas companies listed on recognized stock exchanges overseas.
- Derivatives traded on recognized stock exchanges overseas only for non-hedging and other than for portfolio rebalancing purposes with underlying as securities
- Units/securities of overseas mutual funds/ overseas ETFs.
- Short term deposits with banks overseas where the issuer is rated not below investment grade
- Initial and public offerings for listing at recognized stock exchanges overseas.
- Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/ registered credit rating agencies.
- Government securities where the countries are rated not below investment grade.
- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such government securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- Repos in the form of investment, where the counterparty is rated not below investment grade and which does not involve any borrowing of funds by the Investment Strategy

- Debt securities issued by domestic Government agencies, quasi government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee
- Corporate debt securities (of both public and private sector undertakings)
- Obligations or Securities issued by banks (both public and private sector) including term deposits as permitted by SEBI / RBI from time to time and development financial institutions
- Money market instruments as permitted by SEBI/RBI and rated not below the investment grade
- Triparty Repos on Government Securities or treasury bill
- Securities with Floating rate Instruments
- Certificate of Deposits (CDs).
- Listed or to be listed Commercial Paper (CPs).
- Pass through, Pay through or other Participation Certificates, representing interest in a pool assets including receivables
- Securitized debt, pass through obligations, various types of securitization issuances including but not limited to Asset Backed Securitization, Mortgage Backed Securitization, single loan securitization and other domestic securitization instruments, as may be permitted by SEBI/ RBI from time to time
- Investments in the units of Infrastructure Investment Trust ('InvITs') subject to limits prescribed by SEBI
- Derivative instruments like Interest Rate Futures (IRF), Interest Rate Swaps (IRS) etc and any other debt instruments permitted by SEBI. (including Forward Rate Agreements)
- Credit Default Swaps
- Any other instruments as permitted by RBI/SEBI

Subject to the Regulations, the securities mentioned above could be listed, unlisted, rated, unrated, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings, secondary market operations, private placement, rights offer (including renunciation) or negotiated deals. The Investment Strategy may also enter repurchase and reverse repurchase obligations in various securities as per the guidelines and regulations applicable to such transactions. Further, the Investment Strategy intends to participate in securities lending as permitted under the regulations. The inter strategy transfer of investments, if applicable, sall be in accordance with the provisions contained in paragraph 13.19 of the Master Circular.

B. What are the investment restrictions?

Subject to SEBI (MF) Regulations, guidelines on investment from time to time:

(a) The Investment Strategy shall invest not more than 10% of its NAV in the equity shares or equity related instruments of any entity.

(b) All investments by SIF investment strategy in equity shares and equity related instruments shall be made only in listed or to be listed securities.

(c) The aggregate value of "illiquid securities" of the investment strategy, which are defined by SEBI as non traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the investment strategy and any illiquid securities held above 15% of the total assets shall be assigned zero value.

(d) As per provision no. 21.5 under Chapter 21 of SEBI Master Circular for Mutual Funds, a SIF investment strategy shall not invest more than:
a. 20% of its NAV in debt and money market securities rated AAA; or
b. 16% of its NAV in debt and money market securities rated AA; or
c. 12% of its NAV in debt and money market securities rated A and below
issued by a single issuer.

The above investment limits may be extended by up to 5% of the NAV of the investment strategy with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 25% limit specified in provision no. 21.5 under Chapter 21 of SEBI Master Circular for Mutual Funds.

(A) Such limit shall also be applicable to mortgage backed securitized debt which are rated not below investment grade by a credit rating agency registered with the Board (B) Such limit shall not be applicable for investments in Government Securities, treasury bills and triparty repo on Government securities or treasury bills. (C) Such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time. (D) The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of Credit Rating Agencies between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating. Exposure to government money market instruments such as TREPS on G-Sec/ Tbills shall be treated as exposure to government securities.

(e) Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments. It is further clarified that the investment limits as mentioned in (d) above are applicable to all debt securities, which are issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by either state or central government. Government securities issued by central/state government or on its behalf by the RBI are exempt from the above investment limits.

(f) As per provision no. 10.17.1 of para 10.17 under Chapter 10 of SEBI Master Circular for Mutual Funds, investments by Mutual Funds in partly paid debentures shall be made as per the guidelines issued by AMFI, in consultation with SEBI from time to time.

(g) Save as otherwise expressly provided under the SEBI (Mutual Funds) regulations, the SIF shall not advance any loans for any purpose.

(h) Pending deployment of funds of the Investment strategy in securities in terms of the investment objective of the investment strategy as stated above, the funds of the Investment strategy may be invested in short term deposits of scheduled commercial banks in accordance with provision no. 13.7 under Chapter 13 of SEBI Master Circular for Mutual Funds and such deposits shall abide by the following guidelines:

- "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- Such short-term deposits shall be held in the name of the Investment strategy.
- The investment strategy shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
- 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.
- The investment strategy shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- Trustees/Asset Management Companies (AMCs) shall ensure that no funds of a investment strategy are parked in short term deposit (STD) of a bank which has invested in that investment strategy. Trustees/AMCs shall also ensure that the bank in which a investment strategy has STD does not invest in the said investment strategy until the investment strategy has STD with such bank.
- Asset Management Company (AMC) shall not be permitted to charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- The AMC/Trustee may alter these above stated restrictions from time to time to the extent the SEBI Regulations change, so as to permit the Investment strategy to make their investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. All investments of the Investment strategy will be made in accordance with the SEBI Regulations and any other regulations that may be applicable from time to time.
- The above shall not apply to Term Deposits placed as margins for trading in cash and derivatives market.

(i) The SIF shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction unless allowed by SEBI. Provided that the investment strategy may enter into derivatives transactions as may be permissible under guidelines issued by SEBI.

(j) The total exposure at any point of time shall be the sum of exposure through instruments in both the
(k) cash market and derivatives market.

(l) Investment by mutual fund having SIF Investment Strategies, under all its schemes and Investment Strategies in any company's paid up capital carrying voting rights. Shall not hold more than 15% of any Company's paid up capital or 15% of units of REITs issued by a single issuer as per Para 21.5 of SEBI Master Circular.

Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 6.

Provided further that the limit mentioned above shall be inclusive of ten per cent limit for mutual fund schemes as specified under clause 13.1 (point 5) of the SEBI Master circular

Provided further that in the event of a merger, acquisition, investment strategy of arrangement or any other arrangement involving the sponsors of the mutual funds, shareholders of the asset management companies or trustee companies, their associates or group companies which results in the incidental acquisition of shares, voting rights or representation on the board of the asset management companies or trustee companies beyond the above specified limit, such exposure may be rebalanced within a period of one year of coming into force of such an arrangement.

(m) Investments of the investment strategy are held in the name of the SIF on account of the concerned investment strategy. The SIF shall, get the securities purchased by the investment strategy transferred in the name of the SIF on account of the concerned investment strategy, wherever investments are intended to be of long-term nature.

(n) The investment strategy may participate in the securities lending program, in accordance with the terms of securities lending investment strategy announced by SEBI. The activity shall be carried out through approved intermediaries.

The maximum exposure of the investment strategy to a single approved intermediary in the securities lending programme at any point of time would be 5% of the market value of the security class of the investment strategy or such limit as may be specified by SEBI.

he investment strategy, in appropriate circumstances, may borrow securities in accordance with SEBI guidelines as amended from time to time.

(o) The investment strategy shall not make any investment in any unlisted security of an associate or Group Company of the sponsors; or any security issued by way of private placement by an associate or group company of the sponsors; or the listed securities of group companies of the sponsors which is in excess of 25% of the net assets except for investments by equity oriented exchange traded funds and index funds and subject to such conditions as may be specified by the SEBI.

(p) Investment in non-publicly offered debt: Depending upon the available yields the investment strategy, which are permitted to invest in Debt instruments, may invest in non-publicly offered debt securities.

(q) Based upon the liquidity needs, the investment strategy may invest in Government of India/State Government Securities to the extent to which such investment can be made by the investment strategy.

(r) Investment by this Investment strategy in other Mutual Fund Investment strategy will be in accordance with provision no. 13.14 under Chapter 13 of SEBI Master Circular for Mutual Funds as under:

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The investment strategy may invest in another Investment strategy under the same Asset Management Company or any other asset management company without charging any fees, provided that aggregate inter Investment strategy investment made by all Investment strategy under the same management or in Investment strategy under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund.

Such investment will be consistent with the investment objective of the Investment strategy. No investment management fees will be charged by the AMC on such investments.

(s) The investment strategy shall not make any investment in any fund of fund investment strategy.

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(t) **IST (Inter Investment Strategy Transfer) -** Transfer of investments from one Investment strategy to another Investment strategy in the same SIF, shall be allowed only if:-

(i) such transfers are made at the prevailing market price for quoted Securities on spot basis. Explanation: spot basis shall have the same meaning as specified by Stock exchange for spot transactions.
Provided that inter investment strategy transfer of money market or debt security (irrespective of maturity) shall take place based on prices made available by valuation agencies as prescribed by SEBI from time to time.

(ii) the securities so transferred shall be in conformity with the investment objective of the Investment strategy to which such transfer has been made

(iii) ISTs shall take place in compliance with various conditions as specified by provision no. 13.19.1 & 13.19.2 (a) and (b) (i) of para 13.19 under Chapter 13 of SEBI Master Circular for Mutual Funds.

In case of Open Ended Investment strategy, ISTs may be allowed in the following scenarios:

For meeting liquidity requirement in a investment strategy in case of unanticipated redemption pressure:

AMCs shall have an appropriate Liquidity Risk Management (LRM) Model at investment strategy level, approved by trustees, to ensure that reasonable liquidity requirements are adequately provided for. Recourse to ISTs for managing liquidity will only be taken after the following avenues for raising liquidity have been attempted and exhausted:

(i) Use of investment strategy cash & cash equivalent
(ii) Use of market borrowing
(iii) Selling of investment strategy securities in the market
(iv) After attempting all the above, if there is still a investment strategy level liquidity deficit, then out of the remaining securities, outward ISTs of the optimal mix of low duration paper with highest quality shall be effected.

The use of market borrowing before ISTs will be optional and Fund Manager may at his discretion take decision on borrowing in the best interest of unitholders. The option of market borrowing or selling of security as mentioned at para (r) II & (r) III above may be used in any combination and not necessarily in the above order. In case option of market borrowing and/or selling of security is not used, the reason for the same shall be recorded with evidence.

(u) Valuation of money market and debt securities with respect to Inter-investment strategy transfer in accordance with provision no. 10.13.1 to 10.13.5 of para 10.13 under Chapter 10 of SEBI Master Circular for Mutual Funds is as follows:

i. AMCs shall seek prices for IST of any money market or debt security (irrespective of maturity), from the valuation agencies.
ii. AMFI, in consultation with valuation agencies shall decide a turn-around-time (TAT), within which IST prices shall be provided by the agencies.
iii. If prices from the valuation agencies are received within the pre-agreed TAT, an average of the prices so received shall be used for IST pricing.
iv. If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing.
v. If prices are not received from any of the valuation agencies within the agreed TAT, AMCs may determine the price for the IST, in accordance with provision no. 13.19.1 of para 13.19 under Chapter 13 of SEBI Master Circular for Mutual Funds.

(v) The SIF may use derivative instruments like Stock/Index Futures, Interest Rate Swaps, Interest Rate futures and Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing, or to undertake any other strategy within a limit of 50% of the Net Assets of the investment strategy. Total investments in debt, equity, money market instruments, units of mutual fund investment strategy, derivatives and hybrid instruments shall not exceed 100% of the net assets of the investment strategy.

(w) The Investment strategy may seek investment opportunity in the ADR/GDR/Foreign Securities, in accordance with guidelines stipulated in this regard by SEBI and RBI from time to time. Under normal circumstances, the investment strategy shall not have an exposure of more than 35% of its net assets in foreign securities subject to regulatory limits.

Investment in Foreign Securities shall be in compliance with requirement of the provision no. 13.11 under Chapter 13 of SEBI Master Circular for Mutual Funds and other applicable regulatory guidelines. The Investment strategy may invest in derivatives to engage in permitted currency hedging transactions with an intention to reduce exchange rate fluctuations between the currency of the Investment strategy (INR) and the foreign currency exposure.

The Investment strategy may invest in derivatives to engage in permitted currency hedging transactions with an intention to reduce exchange rate fluctuations between the currency of the Investment strategy (INR) and the foreign currency exposure

(x) **Prudential limits in sectoral exposure and group exposure of the Investment strategy:**

The exposure of the Investment strategy in debt and money market instruments of a particular sector (excluding investments in Bank CDs, Triparty Repo on Government Securities or treasury bill, G-Secs, T-Bills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 25% of the net assets of the Investment strategy;

S.O.31 Provided that an additional exposure to financial services sector (over and above the limit of 25%) not exceeding 10% of the net assets of the investment strategy shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs); Further, an additional exposure of 5% of the net assets of the investment strategy has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the investment strategy.

Group Exposure –

(a) The total exposure of the Investment strategy in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Investment strategy. Such investment limit may be extended to 25% of the net assets of the Investment strategy with the prior approval of the Board of Trustees.

(b) The investments by debt mutual fund investment strategies in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the investment strategy. Such investment limit may be extended to 15% of the net assets of the investment strategy with the prior approval of the Board of Trustees.
For this purpose, a group means a group as defined under regulation 2 (x) of SEBI (Mutual Funds) Regulations, 2026 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

The investments of mutual fund investment strategies in debt and money market instruments of group companies of both the sponsor and the asset management company of the mutual fund in excess of the limits specified therein, made on or before October 1, 2019 may be grandfathered till maturity date of such instruments. The maturity date of such instruments shall be as applicable on October 1, 2019.

(y) **Investment in unlisted and Unrated Debt instruments SEBI vide the provision no. 13.1 under Chapter 13 of SEBI Master Circular for Mutual Funds:**

1. Investment strategy shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc.
   However, investment strategies may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the investment strategy subject to the condition that such unlisted NCDs 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.
   However, investments in such identified NCDs shall continue to be subject to compliance with investment due diligence and all other applicable investment restrictions.
2. For the purpose of the provisions of paragraph (w), listed debt instruments shall include listed and to be listed debt instruments.
3. Further, 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 investment strategies shall be subject to the following:
   a. 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 Funds) Regulations, 2026 and various circulars issued thereunder.
   b. Exposure of mutual fund investment strategies in such instruments, shall not exceed 5% of the net assets of the investment strategies.
   c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

(z) **Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements: SEBI vide the provision no. 13.1 under Chapter 13 of SEBI Master Circular for Mutual Funds:**
1. The investment of investment strategies in the following instruments shall not exceed 10% of the debt portfolio of the investment strategies and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the investment strategies:
   a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
   b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

2. 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.
   AMCs may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMCs should initiate necessary steps to ensure protection of the interest of the investors.
3. Details of investments in debt instruments having structured obligations or credit enhancement features should be disclosed distinctively in the monthly portfolio statement of mutual fund investment strategies.

(aa) The mutual fund shall not borrow except to meet temporary liquidity needs of the mutual fund for the purpose of repurchase, redemption of units or payment of interest or IDCW to the unitholders:

Provided that the mutual fund shall not borrow more than 20% of the net asset of the investment strategy and the duration of such a borrowing shall not exceed a period of six months.

Investments Limitations and Restrictions in Covered call Strategy

The investment strategy may write call options only under a covered call strategy for constituent stocks of Nifty 50 and BSE Sensex, and any other stock as and when allowed by SEBI, subject to the following:

a) The total notional value (taking into account strike price as well as premium value) of call options written by a investment strategy shall not exceed 15% of the total market value of equity shares held in that investment strategy.

b) The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the investment strategy. The unencumbered shares in a investment strategy shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.

c) At all points of time the Mutual Fund investment strategy shall comply with the provisions at paragraph (a) and (b) above. In case of any passive breach of the requirement at paragraph (a), the respective investment strategy shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said investment strategy.

d) In case a Mutual Fund investment strategy needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.

e) In no case, a investment strategy shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.

f) The premium received shall be within the requirements prescribed in terms of paragraph 5 of SEBI circular dated August 18, 2010, i.e., the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the investment strategy.

g) The exposure on account of the call option written under the covered call strategy shall not be considered as exposure.

h) The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective investment strategy(s) until the position is closed or expired.

S.O.19 **Exposure limits as per provision no. 13.15 and 21.6 of SEBI Master Circular for Mutual Funds:**

a. The cumulative gross exposure through equity, debt, derivatives, repo transactions, InvITs, ADR/GDR/Foreign securities and such other securities/assets as may be permitted by the SEBI from time to time, and such other securities/assets subject to regulatory approvals, if any, as may be permitted by the SEBI from time to time should not exceed 100% of the net assets of the investment strategy.

b. The investment strategies under the SIF may take exposure of up to 25% of the net assets in permissible exchange traded derivative instruments, specifically for purposes other than hedging and portfolio rebalancing.
Explanation: This provision allows an investment strategy under the SIF to take unhedged short exposure through derivative instruments of up to 25% of net assets, in addition to derivative exposure undertaken for hedging and portfolio rebalancing purposes.

c. Mutual Funds shall not write options or purchase instruments with embedded written options except the covered call

d. The total exposure related to option premium paid must not exceed 20% of the net assets of the investment strategy.

e. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

f. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:-
   - Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
   - 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 a.
   - Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
   - 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.

g. 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 investment strategy. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the investment strategy.

h. Offsetting of exposure at the portfolio level shall be allowed for: a. Cash and derivative positions on the same underlying security b. Between derivative positions on the same underlying security

   a. Cash and derivative positions on the same underlying security
   b. Between derivative positions on the same underlying security

Below are some of the illustrative scenarios for offsetting of positions on the same underlying security:

ILLUSTRATION ON DERIVATIVE EXPOSURE:

Investment strategy **'Classif Hybrid Long-Short Fund** has **AUM of 100 crore**. The following table specifies the list of securities identified for investment:

Security details	Price	Lot size
XYZ Ltd.	2500	N.A.
XYZ Futures	2525	500
XYZ Call option 2500	90	500
XYZ Put option 2500	85	500

A) Maximum exposure limits:

The following table illustrates the maximum amount/contracts that can be bought/sold under the investment strategy:

Details	Provisions/Exposure calculation	Maximum amount that can be invested	Maximum no. of contracts that can be bought/sold
XYZ Ltd. futures short position (without hedging/ without having underlying security in the portfolio)	Maximum 25% of unhedged short exposure Exposure to single stock <= 10% of investment strategy	INR 10 crore	79 contracts = 10 crore / (2525*500)
Overall stock futures short position at portfolio level across multiple securities	Maximum 25% of unhedged short exposure	INR 25 crore	-
XYZ Call option 2500 long position	Max 20% exposure (ref. Paragraph 13.18.3 of Master Circular for Mutual Funds) Exposure to single stock <= 10% of investment strategy	INR 10 crore	2222 contracts = 10 crore / (90 * 500)
XYZ Call option 2500 short position	Max 20% exposure (ref. 12.25.2 of this Master Circular for Mutual Funds) Exposure to single stock <= 10% of investment strategy	INR 10 crore	80 contracts = 10 crore / (2500 * 500)

B) Illustration on portfolio composition:

The following examples illustrates possible usage of derivatives for portfolio construction of the investment strategy:

Example 1	
Investment Details	**Amount (Total: INR 100 crore)**
Investment in EQ	INR 70 crore
Cash holding	INR 5 crore
Short exposure using stock/index futures	INR 25 crore

Example 2	
Investment Details	**Amount (Total: INR 100 crore)**
Investment in EQ	INR 62.5 crore
Investment in EQ Long Futures & Long options	INR 10 crore
Cash holding	INR 2.5 crore
Short exposure using stock/index futures	INR 25 crore*

**Since unhedged short exposure of upto 25% is additional to the investment in derivatives for purposes other than hedging and portfolio rebalancing.*

	Represents unhedged short exposure through derivatives
	Represents derivatives exposure for the purpose of hedging and portfolio rebalancing

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 a.

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:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts.

(i) To reduce interest rate risk a investment strategy may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

(Portfolio Modified Duration * Market Value of the Portfolio)

(Futures Modified Duration * Futures Price / PAR)

(ii) In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

(iii) Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the investment strategy, subject to the following:

a) Exposure to IRFs is created ***only for hedging*** the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b) Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio *(excluding the hedged portions, if any)* and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of paragraph 13.18.1 of para 13.18 under Chapter 13 of SEBI Master Circular for Mutual Funds. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:

i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or

ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the investment strategy (including one or more securities) and the IRF is at least 0.9.

c) At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

d) The portion of imperfect hedging in excess of 20% of the net assets of the investment strategy should be considered as creating exposure and shall be included in the computation of gross exposure in terms of paragraph 13.18.5 of para 13.18 under Chapter 13 of SEBI Master Circular for Mutual Funds.

(iv) The basic characteristics of the investment strategy should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.

Explanation: In case of long term bond fund, after hedging the portfolio based on the modified duration of the portfolio, the net modified duration should not be less than the minimum modified duration of the portfolio as required to consider the fund as a long term bond fund.

(v) The interest rate hedging of the portfolio should be in the interest of the investors.

The AMC retains the right to enter into such derivative transactions as may be permitted by the Regulations from time to time. For risks associated with investments in derivatives investors are requested to refer to Risk Factors of this Investment Strategy Information Document.

C. Fundamental Attributes

Following are the Fundamental Attributes of the investment strategy, in terms of Paragraph 1.9 of SEBI Master Circular for Mutual Funds:

S.O.1

(i) **Type of investment strategy:**

Classif Hybrid Long-Short Fund is An interval investment strategy investing in equity and debt securities, including limited short exposure in equity and debt through derivatives

(ii) **Investment Objective –**

S.O.5

The investment strategy seeks to generate capital appreciation and income over the long term by investing in equity and debt instruments, including exposure to equity and debt through derivatives.

There is no assurance that the investment objective of the Investment Strategy will be achieved

- **Main Objective -.Growth**

- **Investment pattern** - The Tentative portfolio breakup of Equity/Debt/Money Market instruments, other permitted securities and such other securities as may be permitted by the Board from time to time with minimum and maximum asset allocation, while retaining the option to alter the asset allocation for a short term period on defensive considerations.

(iii) **Terms of Issue**

- Liquidity provisions such as listing, repurchase, redemption.- Provisions as mentioned in this ISID
- Aggregate fees and expenses charged to the investment strategy- Would be restricted to the ceilings of recurring expenses stated in Regulation 52(6) of the SEBI (Mutual Funds) Regulations. The fee and expenses proposed to be charged by an Investment Strategy is detailed in section C. ANNUAL RECURRING EXPENSES.
- Any safety net provided.- This Investment Strategy does not provide any guaranteed or assured return to its Investors.

S.O.59

In accordance with Regulation 22(9)(c) of the SEBI (MF) Regulations 2026 and Paragraph 1.9.2 of SEBI Master Circular for Mutual Funds, the Trustees shall ensure that no change in the fundamental attributes of the investment strategy or the trust or fee and expenses payable or any other change which would modify the investment strategy thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each Unitholder and details as specified by the Board are appropriately displayed on the website of the AMC; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing NAV without any exit load.

D. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per Paragraph 14.5.1 of Master Circular for Mutual Funds (only for close ended debt investment strategies) – Not applicable

E. Other Investment Strategy Specific Disclosures:

Listing and transfer of units	**1. Listing:** The units of the Investment Strategy will be listed and traded on the NSE and/or BSE. However, the AMC reserves the right to list the units of the Investment Strategy on any other Stock Exchange without any change in the Fundamental Attribute **2. Transfer / Pledge/ Assignment of units** **(a) Transfer** Units of the Investment strategy are freely transferable. Transfers should be only in favour of transferees who are capable of holding units. The AMC shall not be bound to recognize any other transfer. A unitholder, of the Investment strategy, who desires to trade in units shall hold units in dematerialised form. Provided that if the units are with the depository such units will be transferable in accordance with the provisions of the Securities and

		Exchange Board of India (Depositories and Participants) Regulations, 2018. Under special circumstances, holding of units by a company or other body corporate with another company or body corporate or an individual/s, none of whom is a minor, may be considered by the AMC. **(b) Pledge/Assignment of units permitted only in favour of banks/other financial institutions:** The uniholders may pledge/assign units in favour of banks/other financial institutions as a security for raising loans. Units can be pledged by completing the requisite forms/formalities as may be required by the Depository. The pledger may not be allowed to redeem units so pledged until the bank/ financial institution to which the units are pledged provides a written authorization to the Depository that the pledge/charge/lien may be removed.
S.O.57	**Dematerialization of units**	a. Pursuant to the provision no.15.7.2 of para 15.7 under Chapter 15 of SEBI Master Circular for Mutual Funds; the unit holders of the Investment strategy shall be provided an option to hold units in demat form in addition to physical form. b. The Unit holders would have an option to hold the Units in dematerialized form. Accordingly, the Units of the Investment strategy will be available in dematerialized (electronic) form. The Applicant intending to hold Units in dematerialized form will be required to have a beneficiary account with a Depository Participant (DP) of the National Securities Depositories Limited (NSDL)/ Central Depository Services Limited (CDSL) and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units of the Investment strategy. c. Further, investors also have an option to convert their physical holdings into the dematerialized mode at a later date. Each Option held in the dematerialized form shall be identified on the basis of an International Securities Identification Number (ISIN) allotted by NSDL and CDSL. The ISIN No. details of the respective option can be obtained from your DP or you can access the website link www.nsdl.co.in or www.cdslindia.com. The holding of units in the dematerialized mode would be subject to the guidelines/ procedural requirements as laid by the Depositories viz. NSDL/CDSL from time to time.
	Minimum Target amount (This is the minimum amount required to operate the investment strategy and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	An amount of Rs. 10 crore is targeted to be raised during the New Fund Offer Period of the Investment strategy. If the targeted amount of Rs. 10 crore is not subscribed to, UTI AMC shall refund the entire amount collected by the Investment strategy within a period of five business days from the date of closure of subscription list and in the manner as may be specified by the SEBI from time to time. In the event of failure to refund the amounts within the specified period, UTI AMC shall be liable to pay interest to the applicants at a rate of fifteen per cent per annum from the expiry of five business days from the date of closure of the subscription list.

Redemption and subscription frequency of the investment strategy	Investors can subscribe to the Investment Strategy on a daily basis at applicable NAV on all Business days. The redemption frequency will be twice a week i.e. Monday and Wednesday in every week. In case the redemption day is a non-business day, the AMC shall process the redemption on the next business day Re. 1 and in multiples of Re. 1 subject to provisions of minimum investment threshold as specified below. Minimum Investment Threshold: - Aggregate investment by an investor across all investment strategies offered by the SIF, at the Permanent Account Number ('PAN') level, shall not be less than Rs.10,00,000/. -Provided that, the above provisions shall not be applicable for mandatory investments made by AMCs for designated employees as per the SEBI Master Circular for Mutual Funds. -In case of any request(s) for partial redemption/switch out by the investor/(s), if the amount post payout of redemptions falls below Minimum Investment Threshold,the AMC shall monitor and ensure compliance with the Minimum Investment Threshold as per Provision no. 21.4.4 of Para 21.4 under Chapter 21 of the SEBI Master Circular dated March 20, 2026
Notice period of the investment Strategy	The redemption frequency will be twice a week i.e. Monday and Wednesday in every week. In case the redemption day is a non-business day, the AMC shall process the redemption on the next business day. In case of notice period, the redeeming investor shall receive the value of units sold based on the fund's NAV at the end of the notice period. In case of any event, if required, the AMC shall ensure that the notice period shall not exceed 15 working days. The AMC reserves the right to modify notice period at a future date.
Maximum Amount to be raised (if any)	No maximum limit. Over subscription above Rs. 10 crores will be retained in full subject to regulatory limits.
Dividend Policy (IDCW)	Not Applicable
Allotment (Detailed procedure)	a. Subject to the receipt of the specified Minimum Subscription Amount for the Investment strategy, full allotment will be made to all valid applications received during the New Fund Offer. Allotment will be completed within 5 (Five) working days from the closure of the New Fund Offer. Any amount to be refunded to the applicants shall be refunded within a period of five working days from the date of closure of subscription list and in the manner as may be specified by the SEBI from time to time. b. An applicant in an Investment strategy whose application has been accepted shall have the option either to receive the statement of accounts or to hold the units in dematerialised form and the Asset Management Company shall issue to such applicant, a statement of accounts specifying the number of units allotted to the applicant or issue units in the dematerialized form as soon as possible but not later than five working days from the date of closure of the initial subscription list or from the date of receipt of the application.

	c. Every unitholder will be given a membership/folio number, which will be appearing in SoA for his initial investment. Further investments in the same name(s) and in the same order would be registered under the same folio, if folio number is mentioned by the unitholder. In all future correspondence with the UTI AMC the unitholder shall have to quote the membership/folio number. d. SoA will be valid evidence of admission of the applicant into the Investment strategy. However, where the units are issued subject to realization of cheques/draft such issue of units will be cancelled if the cheques/draft is returned unpaid and treated having not been issued. e. The NRI applicant may choose to receive the SoA at his/her Indian address or at the address of his/her relative resident in India. f. UTI AMC shall send the SoA at the address mentioned in the application form and recorded with UTI AMC and shall not incur any liability for loss, damage, mis-delivery or non-delivery of the SoA. g. In case the SoA is mutilated/defaced/lost, UTI AMC may issue a duplicate SoA on receipt of a request to that effect from the unitholder on a plain paper or in the manner as may be prescribed from time to time.
Refund	If application is rejected, full amount will be refunded within 5 working days of closure of NFO. In the event of failure to refund the amounts within the specified period, UTI AMC shall be liable to pay interest to the applicants at a rate of fifteen per cent per annum from the expiry of five working days from the date of closure of the subscription list.
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the investment strategy is suitable to their risk profile.	An application for issue of units may be made by any resident or non-resident Indian as well as non-individuals as indicated below: a. a resident individual or a NRI or a person of Indian origin residing abroad, either singly or jointly with another or upto two other individuals on joint/anyone or survivor basis. An individual may make an application in his personal capacity or in his capacity as an officer of a Government or of a Court; b. a parent, or other lawful guardian on behalf of a resident or a NRI minor. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother) or a court appointed legal guardian. There shall not be any joint holding with minor investments. Process for Investments made in the name of a Minor through a Guardian shall be in line with the provision no. 15.13.1 to 15.13.4 of para 15.13 under Chapter 15 of SEBI Master Circular for Mutual Funds and SEBI Circular No. SEBI/HO/IMD/ POD-II/CIR/P/2023/0069 dated May 12, 2023. (i) Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed. Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities.

	For existing folios, investors are requested to submit Form for change of Pay-out Bank mandate with the required documents before submission of redemption request. (ii) Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. (iii) The standing instructions registered for Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) and Transfer of Income Distribution cum capital withdrawal plan, etc., shall be suspended when the minor attains majority, till the status is changed to major. a. an association of persons or body of individuals whether incorporated or not; b. a Hindu Undivided Family - both resident and non-resident; c. a body corporate including a company formed under the Companies Act, 1956 [replaced by The Companies Act, 2013 (No.18 of 2013)] or established under State or Central Law for the time being in force; d. a bank including a scheduled bank, a regional rural bank, a co-operative bank etc.; e. an eligible trust including Private Trust being irrevocable trust and created by an instrument in writing; f. a society as defined under the Investment strategy; g. a Financial Institution; h. an Army/Navy/ Air Force/Paramilitary Fund; i. a partnership Firm; j. (An application by a partnership firm shall be made by not more than two partners of the firm and the first named person shall be recognized by UTI AMC for all practical purposes as the unitholder. The first named person in the application form should either be authorized by all remaining partners to sign on behalf of them or the partnership deed submitted by the partnership firm should so provide.) k. Foreign Portfolio Investor (FPI) as defined under Regulation 2(1)(j) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019; l. Mutual Funds registered with SEBI; m. Scientific and Industrial Research Organisations; n. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India; o. EPFO's/Provident Funds, Group Insurance Funds, Pension Funds, Superannuation Funds and Gratuity Funds; p. Other Investment strategies of UTI Mutual Fund subject to the conditions and limits prescribed by SEBI Regulations; q. Such other individuals / institutions / body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations; r. Any other category of investors.

	Subject to the Regulations, the Sponsors, the Mutual Funds managed by them, their associates and the AMC may acquire units of the Investment strategy. The AMC shall not be entitled to charge any fees on its investments in the Investment strategy. The fund reserves the right to include/exclude, new/existing categories of investors to invest in the Investment strategy from time to time, subject to SEBI Regulations, if any. **Note:** (a) In terms of the notification No. FERA/195/99-RB dated March 30, 1999 and FERA/212/99-RB dated October 18, 1999, the RBI has granted a general permission to mutual funds, as referred to in Clause 23(D) of Section 10 of the Income Tax Act, 1961 to issue and repurchase Units of their Investment strategies which are approved by SEBI to NRIs/PIOs and FPIs respectively, subject to conditions set out in the aforesaid notifications. Further, general permission is also granted to send such Units to NRIs/PIOs and FPIs to their place of residence or location as the case may be. (b) Returned cheques are liable not to be presented again for collection, and the accompanying Application Forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. **Investment by Individuals – Foreign Nationals** For the purposes of carrying out the transactions by Foreign Nationals in the units of the Investment strategies of SIF. (a) Foreign Nationals shall be resident in India as per the provisions of the Foreign Exchange Management Act, 1999. (b) Foreign Nationals are required to comply (including taking necessary approvals) with all the laws, rules, regulations, guidelines and circulars, as may be issued/applicable from time to time, including but not limited to and pertaining to anti money laundering, Know Your Customer (KYC), income tax, foreign exchange management (the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder) including in all the applicable jurisdictions. UTI AMC reserves the right to amend/terminate this facility at any time, keeping in view business/operational exigencies. **Note:** "Neither this Investment strategy Information Document nor the units have been registered in any jurisdiction including the United States of America. The distribution of this Investment strategy Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Investment strategy Information Document are required to inform themselves about, and to observe any such restrictions. No persons receiving a copy of this Investment strategy Information Document or any accompanying application form in such jurisdiction may treat this

	Investment strategy Information Document 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 Investment strategy Information Document does not constitute an offer or solicitation by 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 Investment strategy Information Document and any persons wishing to apply for units pursuant to this Investment strategy Information Document to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction". **Holding Basis**: In the event an account has more than one registered holder the first-named Unit holder shall receive the account statements, all notices and correspondence with respect to the account, as well as the proceeds of any Redemption requests or other distributions. In addition, such holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines. Applicants can specify the 'mode of holding' in the prescribed application form as 'Jointly' or 'Anyone or Survivor'. In the case of holding specified as 'Jointly', Redemption requests would have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unit holders will have the power / authority to make Redemption requests, without it being necessary for all the Unit holders to sign. However, in all cases, the proceeds of the Redemption will be paid to the first-named Unit holder. In case of death / insolvency of any one or more of the persons named in the Register of Unit holders as the joint holders of any Units, the AMC shall not be bound to recognize any person(s) other than the remaining holders. In all such cases, the proceeds of the Redemption will be paid to the first-named of such remaining Unit holders.
Who cannot invest	**Non-acceptance of subscriptions from Overseas Corporate Bodies (OCBs) in the Investment strategies of UTI MF** **Investments by Overseas Corporate Bodies (OCBs)** Pursuant to the Foreign Exchange Management [Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)] Regulations, 2003, and the consequential amendments made in the Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000, OCBs, cannot invest, inter alia, in Mutual Fund Investment strategies. **'Overseas Corporate Body' (OCB)** As per Regulation 2(xi) of the Foreign Exchange Management (Deposit) Regulations, 2000, 'Overseas Corporate Body' means a company,

		partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident Indians (hereinafter referred to as 'NRIs') and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians (hereinafter referred to as 'Overseas Trust') directly or indirectly but irrevocably. Investors are requested to note that , investments are not permitted in the following cases: 1. Investors/entities associated with blacklisted countries or high-risk jurisdictions identified by the Financial Action Task Force (FATF). 2. PANs that have been debarred by SEBI. 3. Cases where notices or actions have been initiated by law enforcement agencies under the Unlawful Activities (Prevention) Act (UAPA). 4. Any other adverse classifications or notices identified through World-Check screening, including those issued by law enforcement or regulatory authorities.
S.O.35	**How to Apply (details)**	The investors can submit the Application forms and Key Information Memorandum (along with transaction slip)/ forms for redemption/ switches at the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Registrar (KFIN) or distributors or on the website of Classif SIF (https://www.utimf.com/classif). Where Units under the Investment Strategy are held under both Direct Plan and Regular Plan, investors should clearly mention the plan from which redemption/switch requests are to be processed. Please refer to the SAI and Application form for the instructions Link for the list of official points of acceptance, collecting banker details etc https://www.utimf.com/classif Details of Registrar and Transfer Agent: KFin Technologies Limited, Unit: UTIMF, Karvy Selenium Tower B, Plot Nos. 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Board No: 040 - 6716 2222, Fax no : 040 - 6716 1888, Email: uti@kfintech.com It is mandatory for investors to mention their Core banking Solutions (CBS) bank account particulars in their applications/requests for redemption
	The policy regarding reissue of repurchased units, including the maximum extent, the manner of	Units once redeemed will be extinguished and will not be reissued.

S.O.61

reissue, the entity (the investment strategy or the AMC) involved in the same.	
Restrictions, if any, on the right to freely retain or dispose of units being offered.	Transfer / Pledge/ Assignment of units – **(a) Transfer** Units of the Investment strategy are freely transferable. Transfers should be only in favour of transferees who are capable of holding units. The AMC shall not be bound to recognize any other transfer. A unitholder, of the Investment strategy, who desires to trade in units shall hold units in dematerialised form. Provided that if the units are with the depository such units will be transferable in accordance with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time. Under special circumstances, holding of units by a company or other body corporate with another company or body corporate or an individual/s, none of whom is a minor, may be considered by the AMC. **(b) Pledge/Assignment of units permitted only in favour of banks/other financial institutions:** The uniholders may pledge/assign units in favour of banks/other financial institutions as a security for raising loans. Units can be pledged by completing the requisite forms/formalities as may be required by the Depository. The pledger may not be allowed to redeem units so pledged until the bank/ financial institution to which the units are pledged provides a written authorization to the Depository that the pledge/charge/lien may be removed. In case of units held in non-demat mode, redemption of transferred units will be restricted for a period of 10 days from the date of transfer. This measure will provide the investor with an opportunity to reverse the transfer in the event of fraudulent activity. The facility for transfer of units held in SoA mode shall be available only through online mode via the transaction portals of the RTA and the MF Central, i.e., the transfer of units held in SoA mode shall not be allowed through physical/ paper-based mode or via the stock exchange platforms, MFU, channel partners and EOPs etc. In accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 and AMFI Best Practice Guidelines circular no 116 / 2024-25 dated 14th August 2024 as amended from time to time. **Transmission of Units:**

<table>
<tr>
<td></td>
<td>In accordance with the provisions of SEBI circular HO/38/13/11(14)2026-MIRSD-POD/I/17111/2026 dated July 23, 2026 on Transmission of Units as may be amended from time to time. If a transferee becomes a holder of the Units by operation of law, or upon enforcement of a pledge, or due to the death, insolvency or winding up of the affairs of a sole holder or the survivors of a joint holder, then subject to the production of evidence which in the opinion of the Mutual Fund is sufficient, the Mutual Fund will effect the transfer if the intended transferee is otherwise eligible to hold the Units. Units shall be transmitted in favour of the surviving jointholder(s) upon the execution of suitable indemnities in favour of the mutual fund and the Asset Management Company by the surviving jointholder(s).

Disclaimer: Transmission of units / payment of sums standing to the credit of the deceased unitholder in favour of the surviving unitholders shall discharge the mutual fund and the Asset Management Company of all liability towards the estate of the deceased unitholder and his / her successors and legal heirs. Further, if either the mutual fund or the Asset Management Company incur any loss whatsoever arising out of any litigation or harm that it may suffer in relation to the transmission, they will be entitled to be indemnified absolutely from the deceased unitholder's estate.

Refer to Statement of Additional Information (SAI) on Settlement of claims.</td>
</tr>
<tr>
<td>Cut off timing for subscriptions/ redemptions/ switches

This is the time before which your application (complete in all respects) should reach the official points of acceptance.</td>
<td>Cut off time for Purchase (including switch-in) of any amount across all SIF Investment strategies:
<table>
<tr><th>Scenario</th><th>Applicable NAV</th></tr>
<tr><td>Application is received before the cut-off time of 3.00 P.M. and funds are available for utilization before the cut-off time.</td><td>Closing NAV of the day on which the funds are available for utilization before cut-off time.</td></tr>
<tr><td>Application is received after the cut-off time of 3.00 P.M. and funds are available for utilization on the same day or before the cut-off the next business day.</td><td>Closing NAV of the next Business Day.</td></tr>
<tr><td>Irrespective of the time of receipt of application, where the funds are not available for utilization before the cut-off time.</td><td>Closing NAV of the day on which the funds are available for utilization before cut-off time.</td></tr>
</table>
For investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plan (STP), Transfer of Income Distribution cum capital withdrawal Plan (Transfer of IDCW Plan), etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization by the Target Investment strategy</td>
</tr>
</table>

<table>
<tr><td></td><td>irrespective of the instalment date of the SIP, STP or record date of IDCW etc.

<table>
<tr><td colspan="3">Redemption:</td></tr>
<tr><td>Operation</td><td>Cut-off Timing</td><td>Applicable NAV</td></tr>
<tr><td>Valid applications received after Monday cut off time till cut off time on Wednesday.</td><td>up to 3 p.m.</td><td>Closing NAV of the Wednesday</td></tr>
<tr><td>Valid applications received after - Wednesday cut off time till cut off time on Monday.</td><td>After 3 p.m.</td><td>Closing NAV of Monday.</td></tr>
</table>

In case Monday/Wednesday is a non-business day, then the redemption will be processed with the NAV of the immediately following business day.

Tax consequences: Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests and take an independent decision accordingly.

NOTE:- The Cut off timing for subscriptions / redemptions / switches governed by SEBI Circulars / notifications and AMFI Guidelines issued from time to time.</td></tr>
<tr><td>Where can the applications for purchase/redemption switches be submitted?</td><td>Please refer the SIF dedicated webpage https://www.utimf.com/classif at the following link for the list of official points of acceptance, collecting banker details etc.

It is mandatory for investors to mention their Core banking Solutions (CBS) bank account particulars in their applications/requests for redemption</td></tr>
<tr><td>Minimum amount for purchase / redemption / switches</td><td>a. Minimum amount for purchase During NFO:
Minimum of Rs. 10,00,000/- and in multiples of Re. 1/- thereafter

Minimum amount for accredited investor: Rs 10,000 and in multiples of Re. 1- thereafter

SIP: Rs. 10,000 and in multiples of Re. 1/- thereafter, subject to that the minimum investment amount by an investor should not be less than Rs. 10,00,000/-

b. Minimum amount for purchase On continuous basis:
Minimum (including switch-in) of Rs. 10,00,000/- and in multiples of Re. 1/- thereafter
SIP/STP/SWP: Rs. 10,000/- and in multiples of Re. 1/- thereafter with no upper limit</td></tr>
</table>

	Note: Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any. As per Clause 21.4.1 under Para 21.4 of Chapter 21 of SEBI Master Circular for Mutual Funds, the aggregate investment by an investor across all investment strategies offered by the SIF, at the Permanent Account Number ('PAN') level, shall not be less than Rs. 10,00,000 ('Minimum Investment Threshold'). **Minimum Additional Purchase Amount** Rs. 10,000/- and in multiples of Re. 1/- thereafter **Minimum Redemption amount** Rs.1 and in multiples of Re.1 subject to provisions of minimum investment threshold as specified below. **Minimum Investment Threshold:** o Aggregate investment by an investor across all investment strategies offered by the SIF, at the Permanent Account Number ('PAN') level, shall not be less than Rs.10,00,000/. o Provided that, the above provisions shall not be applicable for mandatory investments made by AMCs for designated employees as per the SEBI Master Circular for Mutual Funds. o In case of any request(s) for partial redemption/switch out by the investor/(s), if the amount post payout of redemptions falls below Minimum Investment Threshold the AMC shall monitor and ensure compliance with the Minimum Investment Threshold as per Paragraph 21.4.4 of the SEBI Master Circular dated March 20, 2026.
Minimum threshold Requirement and consequences of non-maintenance	**Minimum Investment Threshold:** o Aggregate investment by an investor across all investment strategies offered by the SIF, at the Permanent Account Number ('PAN') level, shall not be less than Rs.10,00,000/. o Provided that, the above provisions shall not be applicable for mandatory investments made by AMCs for designated employees as per the SEBI Master Circular for Mutual Funds. o In case of any request(s) for partial redemption/switch out by the investor/(s), if the amount post payout of redemptions falls below Minimum Investment Threshold the AMC shall monitor and ensure compliance with the Minimum Investment Threshold as per Paragraph 21.4.4 of the SEBI Master Circular dated March 20, 2026. Passive breaches (occurrence of instances not arising out of omission and commission by AMC), such as those caused by a decline in Net Asset Value (NAV), shall not be treated as a violation of the Minimum Investment Threshold. However, if the total investment value falls below the threshold due to a passive breach, the investor shall only be permitted to redeem the entire remaining investment amount from the SIF.
S.O.60 **Accounts Statements**	a. SoA will be a valid evidence of admission of the applicant into the Investment strategy. However, where the units are issued subject to realisation of cheque/ draft any issue of units to such unitholders will be

	cancelled and treated having not been issued if the cheque/draft is returned unpaid. b. Every unitholder will be given a folio number which will be appearing in SoA for his initial investment. Further investments in the same name(s) would come under the same folio, if the folio number is indicated by the applicant at the time of subsequent investment. The folio number is provided for better record keeping by the unitholder as well as by UTI AMC. c. An applicant in a Investment strategy whose application has been accepted shall have the option either to receive the statement of accounts or to hold the units in dematerialised form and the asset management company shall issue to such applicant, a statement of accounts specifying the number of units allotted to the applicant or issue units in the dematerialized form as soon as possible but not later than five working days from the date of closure of the initial subscription list or from the date of receipt of the application. d. The Asset Management Company shall issue units in dematerialized form to a unit holder in a Investment strategy within two working days of the receipt of request from the unit holder. e. The AMC will issue a Consolidated Account Statement (CAS) for each calendar month or as per the timeline specified by the SEBI from time to time to the investor in whose folios transactions has taken place during that month and such statement will be issued on or before the 15th day of the succeeding month detailing all the transactions and holding at the end of month including transaction charges paid to the distributor, if any, across all Investment strategies of all mutual funds. Further, CAS as above, will also be issued to investors (where PAN details of 1st holder are available) every half yearly (September/March), on or before the 21st day of succeeding month or as per the timeline specified by the SEBI from time to time, detailing holding at the end of the sixth month, across all Investment strategies of all mutual funds, to all such investors in whose folios no transactions has taken place during that period. The word "transaction" for the purposes of CAS would include purchase, redemption, switch, Payout of Income Distribution cum capital withdrawal option, Systematic Investment Plan (SIP), Systematic Withdrawal Plan (SWP), Systematic Transfer Plan (STP), and merger, if any. CAS for Demat accounts (a) Pursuant to the provisions 15.7.4 under Chapter 15 of SEBI Master Circular for Mutual Funds requiring Depositories to generate and despatch a single consolidated account statement for investors having mutual fund investments and holding demat accounts, the following modifications are made to the existing guidelines on issuance of CAS – (i) Such Investors shall receive a single Consolidated Account Statement (CAS) from the Depository. (ii) Consolidation shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. (iii) In case an investor has multiple accounts across two depositories, the depository with whom the Demat account has been opened earlier will

	be the default depository which will consolidate the details across depositories and MF investments and despatch the CAS to the investor. (iv) The CAS will be generated on monthly basis. (v) If there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, then CAS shall be sent to that investor through email on monthly basis on or before 15th day of the succeeding month detailing all the transactions and holding at the end of month including transaction charges paid to the distributor, if any, across all Investment strategies of all mutual funds or as per the timeline specified by SEBI from time to time. (vi) In case there is no transaction in any of the mutual fund and demat accounts then CAS with holding details shall be sent to the investors by email on half yearly basis on or before the 21st day of succeeding month or as per the time line specified by SEBI from time to time. (vii) The CAS shall be dispatched by email to all the investors whose email addresses are registered with the Depositories and AMCs/MF-RTAs. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the the AMCs/MF-RTAs. (viii) The despatch of CAS by the depositories where ever prescribed by the regulator shall constitute compliance by SIF with the requirements under Regulation 34 of SEBI (Mutual Funds) Regulations, 2026. For further details on issuance of CAS, PAN related matters of CAS etc, please refer to SAI. (b) For those unit holders who have provided an e-mail address/mobile number:- The AMC shall continue to allot the units to the unit holders whose application has been accepted and also send confirmation specifying the number of units allotted to the unit holders by way of e-mail and/or SMS to the unit holder's registered e-mail address and/or mobile number as soon as possible but not later than five business days from the date of the request from the unit holders. The unit holder will be required to download and print the SoA/other correspondences after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered SoA/other correspondences, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. Failure to advise SIF of such difficulty within 24 hours after receiving the e-mail, will serve as an affirmation regarding the acceptance by the Unit holder of the SoA/other correspondences. It is deemed that the Unit holder is aware of all securities risks including possible third party interception of the SoA/other correspondences and the content therein becoming known to third parties. Under no circumstances, including negligence of the Unit Holder, shall the Mutual Fund or anyone involved in creating, producing, delivering or managing the SoA of the Unit Holder, be liable for any direct, indirect, incidental, special or consequential damages that may result from the use of

	or inability to use the service or out of the breach of any warranty. The use and storage of any information including, without limitation, the password, account information, transaction activity, account balances and any other information available on the Unit holder's personal computer is at risk and sole responsibility of the Unit holder. The unitholder may request for a physical account statement by writing/calling the AMC/R&T. (c) "Pursuant to the provisions 15.7.4 of para 15.7 under Chapter 15 of SEBI Master Circular for Mutual Funds" - Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each Investment strategy. - Further, CAS issued for the half-year (ended September/March) shall also provide: • The amount of actual commission paid by AMCs/Mutual Funds (MFs) to the distributor in absolute terms during the half-year period against the concerned investor's total investments in each MF Investment strategy. The commission paid to Distributors is the gross commission and does not exclude costs incurred by distributors such as GST (wherever applicable, as per existing rates), operating expenses, etc. The term 'commission' refers to all direct monetary payments and other payments made in the form of gifts /rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. • The Investment strategy's average Total Expense Ratio (in percentage terms) along with the breakup between Investment and Advisory fees, Commission paid to the distributor and other expenses for the period for each Investment strategy's applicable plan (regular or direct or both) where the concerned investor has actually invested in. For Further details refer, SAI
Dividend/ IDCW	Not Applicable
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer Paragraph 15.3.3 of Master Circular for Mutual Funds. For investment strategies investing atleast 80% of total assets in permissible overseas investments (as per Paragraph 13.11 of SEBI Master Circular for Mutual Funds), the transfer of redemption or repurchase proceeds to the unitholders shall be made within five working days from the date of redemption or repurchase.
Bank Mandate	In order to reduce the risk of frauds and operational risks and thereby protect the interests of the Unit holders/Investors from fraudulent encashment of redemption proceeds, Investors are required to submit any of the prescribed documents (along with original document for verification) in support of the bank mandate mentioned in the application form for subscription under a new folio, in case these details are not the same as the bank account from which the investment is made.

		Any application for subscription of units may be rejected if such application does not comply with the above requirements and AMC may refund the subscription amount to the bank account from where the investment was made and shall not be liable for any such rejection/refund. For further details on documents to be submitted under the process to identify third party payments etc. Please refer to SAI.
	Delay in payment of redemption / repurchase proceeds/dividend	(a) The redemption proceeds shall be paid to the unitholders within 3 (three) working days from the date of redemption. Further, in exceptional situations, additional timelines in line with AMFI letter no. AMFI/35P/MEM-COR/74/2022-23 dated January 16,2023 will be applicable for the transfer of redemption or repurchase processed to the unit holder (b) In the event of failure to dispatch the redemption or repurchase proceeds within the period specified in sub-clauses (a), UTI Asset Management Company Limited shall be liable to pay interest to the unitholders at such rate as may be specified by the SEBI for the period of such delay; (presently @ 15% per annum). (c) Notwithstanding payment of such interest to the unit-holders under sub-clause (c), the asset management company may be liable for penalty for failure to make payment of the redemption or repurchase proceeds within the stipulated time.
S.O.52	**Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount**	As per SEBI guidelines, the unclaimed redemption and IDCW amounts, that were allowed to be deployed only in call money market or money market instruments, are also allowed to be invested in a separate plan of Liquid Investment strategy / Money Market Mutual Fund Investment strategy floated by Mutual Funds specifically for deployment of the unclaimed amounts. As per the regulations, AMC shall not charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped at 50 bps. The investment management and advisory fee charged by the AMC for managing unclaimed amounts shall not exceed 50 bps. The list of names and addresses of investors in whose folios there are unclaimed amounts shall be provided on UTI MF Website. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The Fund will make continuous efforts to remind the investors through letters to take their unclaimed amounts
S.O.37	**Disclosure w.r.t investment by minors**	Process for Investments made in the name of a Minor through a Guardian shall be in line with the provision no. 15.13.1 to 15.13.4 of para 15.13 under Chapter 15 of SEBI Master Circular for Mutual Funds.

	• Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed. • Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities. • For existing folios, investors are requested to submit Form for change of Pay-out Bank mandate with the required documents before submission of redemption request. • Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. • The standing instructions registered for Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP), Transfer of IDCW Plan etc., shall be suspended when the minor attains majority, till the status is changed to major.
Any other disclosure in terms of Consolidated Checklist on Standard Observations	

III Other details

A. Periodic Disclosure

Periodic Disclosure **Monthly Disclosure: Portfolio / Half yearly Financial Results**	a) The SIF shall within one month from the close of each half year, (i.e. 31st March and 30th September), host a soft copy of its unaudited financial results on website of Classif **SIF** i.e www.utimf.com/classif and the website of AMFI (https://www.amfiindia.com/) a user-friendly, downloadable and machine readable format: The SIF shall give a Written communication (including digital modes such as email/SMS etc.) shall be sent to unitholders by the asset management company about the availability of financial results. b) The SIF shall disclose portfolio (along with ISIN) as on the last day of every alternate month (i.e. as on the end of May, July, September, November, January and March) for all the Investment strategies on its website and on the website of AMFI (https://www.amfiindia.com/)within 10 calendar days from the close of such month in a user-friendly and downloadable spreadsheet format. For debt Investment strategies, such disclosure, including the yield of the instrument, shall be disclosed on fortnightly basis within 5 calendar days of every fortnight. The said aforementioned portfolio can be downloaded from the website of SIF on the below mentioned link: Link will be updated when available (After following the above link, please expand "Portfolio Disclosure-Investment strategy wise", "Consolidate Portfolio Disclosure (debt Investment strategies)" and select the desired Investment strategy to view its portfolio)

	c) In case of unit holders whose e-mail addresses are registered, AMCs shall send such monthly/ fortnightly statements of Investment strategy portfolio to such unitholders via email within the timelines prescribed above in point (b) d) AMCs shall declare on their website the hosting of the monthly/fortnightly statement of its Investment strategies portfolio and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unit holder can submit a request for a physical or electronic copy of the statement of Investment strategy portfolio for UTI Website please refer below mentioned link: Link will be updated when available e) The SIF shall provide a physical copy of the statement of its Investment strategy portfolio, without charging any cost, on specific request received from a unitholder.
Periodic Disclosure Annual Report	a) The SIF / AMC will host the Annual Report of the Investment strategies on its website www.utimf.com/classif and on the website of AMFI (www.amfiindia.com) not later than four months from the date of closure of the relevant financial year (i.e. 31st March each year). The full annual report shall be made available for inspection at UTI Tower, Gn Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. b) The SIF shall e-mail the Investment strategy annual reports or abridged summary thereof to those unitholders, whose email addresses are registered with the Mutual Fund. c) The asset management company shall provide physical copy of the abridged summary of the Annual Report, prepared in the format specified by the Board from time to time without any cost, if a request is received from a unitholder
Disclosure on Risk-Band	In accordance with para 21.12 of SEBI Master Circular for Mutual Fund dated March 20, 2026, Risk-band shall be evaluated on a monthly basis and SIFs/AMCs shall disclose the Risk-Band for all their investment strategies on their respective website and on AMFI website within 10 days from the close of each month. Any change in Risk-band of the investment strategy or benchmark shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular investment strategy. Further, the SIFs shall disclose the risk level of investment strategies as on March 31st of every year, along with number of times the risk level has changed over the year, on their websites and AMFI website.

B. SCENARIO ANALYSIS FOR DERIVATIVES POSITIONS

The below is the scenario analysis depicting the expected loss to the investor due to market movements for hybrid strategies:

Hybrid Investment Strategies	
The following table shows the performance of Nifty50 index and individual performance of other indices:	The following table shows the interest rate change for various sectors:

Nifty50	**10.00%**	**Government Bonds**	**1.00%**
IT Sector	**15.00%**	**Auto Sector**	**-1.25%**
Banking Sector	**8.50%**	**Pharma Sector**	**0.50%**

Total AUM of Investment Strategy	**₹ 10,00,00,000**

Scenario 1: Without any unhedged short derivative exposure

Portfolio		**Modified Duration**	**Weight (NAV/Total NAV)**	**Net Asset Value(NAV)**	**PnL (Market up, interest rate down)**	**PnL (Market down, interest rate up)**
Equity	Nifty50		35.0%	₹ 3,50,00,000	₹ 35,00,000	₹- 35,00,000
Debt instruments	Government Bonds	5	35.0%	₹ 3,50,00,000	₹ 17,50,000	₹- 17,50,000
Commodity	Gold Futures		0.0%	₹ -	₹ -	₹ -
INVITs			20.0%	₹ 2,00,00,000	₹ 5,00,000	₹ - 5,00,000
Cash			10.00%	₹ 1,00,00,000	₹	₹
Total			**100.0%**	**₹ 10,00,00,000**	**₹ 57,50,000**	**₹ - 57,50,000**
					5.75%	**- 5.75%**

Scenario 2: 10% short exposure in Equity IT Sector and 15% short exposure in bonds of Auto Sector

Portfolio		**Modified Duration**	**Weight (NAV/Total NAV)**	**Net Asset Value(NAV)**	**PnL (Nifty up by 10%)**	**PnL (Nifty down by 10%)**
Equity	Nifty50		35.0%	₹ 3,50,00,000	₹ 35,00,000	₹ - 35,00,000
Debt instruments	Government Bonds	5	20.0%	₹ 2,00,00,000	₹ 10,00,000	₹ - 10,00,000
Commodity	Gold Futures		0.0%	₹ -	₹ -	₹ -
INVITs			15.0%	₹ 1,50,00,000	₹ 5,00,000	₹ - 5,00,000
Unhedged Equity Futures Short	IT Sector		10.0%	₹ 1,00,00,000	₹ -15,00,000	₹ 15,00,000
Unhedged Debt Futures Short	Auto Sector	-4.5	15.0%	₹ 1,50,00,000	₹ - 8,43,750	₹ 8,43,750
Cash			5.0%	₹ 50,00,000	₹	₹
Total			**100.000%**	**₹10,00,00,000**	**₹ 26,56,250**	₹ -26,56,250
					2.66%	**-2.66%**

Scenario 3: 10% short exposure in Equity Banking Sector and 15% short exposure in bonds of Pharma Sector

Portfolio		Beta/Modified Duration	Weight (NAV/ Total NAV)	Net Asset Value(NAV)	PnL (Nifty up by 10%)	PnL (Nifty down by 10%)
Equity	Nifty50		25.0%	₹ 2,50,00,000	₹ 25,00,000	₹ - 25,00,000
Debt instruments	Government Bonds	5	25.0%	₹ 2,50,00,000	₹ 12,50,000	₹ - 12,50,000
Commodity	Gold Futures		0.0%	₹ -	₹ -	₹ -
INVITs			15.0%	₹ 1,50,00,000	₹ 5,00,000	₹ - 5,00,000
Unhedged Equity Futures Short	Banking Sector		10.0%	₹ 1,00,00,000	₹ - 8,50,000	₹8,50,000
Unhedged Debt Futures Short	Pharma Sector	-4.5	15.0%	₹ 1,50,00,000	₹ - 3,37,500	₹3,37,500
Cash			10.0%	₹ 1,00,00,000	₹ -	₹ -
Total			**100.000%**	**₹10,00,00,000**	**₹ 30,62,500**	**₹ - 30,62,500**
					3.06%	**-3.06%**

Note:

1	Equity Derivatives may include exchange traded Futures and Options on equity securities
2	NAV is representative of the market value at the asset level and aggregates to 100% at the fund level
3	Bond Price change is computed as : (- Modified Duration * Interest Rate Shift)
4	Bond Derivatives may include IRS, IRF,CDS etc
5	NAV is representative of the market value at the asset level and aggregates to 100% at the fund level

C. Liquidity risk management tools and its applicability

Liquidity Management practices and tools aligned within the regulatory framework such as diversification of asset classes, devitrifications of issuer, sector/group level.

Stress testing - Periodic stress tes ng will be conducted to assess the Investment Strategy's ability to withstand elevated redemptions scenarios, including assumptions on market impact cost, price dislocation and rang changes.

Borrowing - The Fund may borrow to meet temporary liquidity requirements in line with SEBI regulations

Redemption Frequency: Investment Strategy permits redemption on a twice week basis, providing sufficient time to the Fund manager to plan and align the portfolio strategy with an anticipated outflow

Temporary suspension of additional subscription/ redemption: The Fund, in consultation with trustees, may impose temporary restriction on redemption/ subscription to prevent distress sale of assets / safeguard interests of existing investors.

D. Transparency / NAV disclosures	The SIF shall declare the Net asset value of the Investment strategy by 11 p.m. on every business day on Classif **SIF** and website of AMFI namely www.amfiindia.com. The latest available NAV for the fund can be viewed/ requested from website, toll free number and whatsapp. Further, the SIF will extend facility of sending latest available NAVs to unit holders through SMS, upon users registering for the said service through website in NAV Disclosure section. If the NAVs are not available before commencement of business hours on the following day due to any reason, the SIF shall issue a press release providing reasons and explaining when the SIF would be able to publish the NAVs. The NAV shall be calculated for all business days
E. Stamp duty	It is informed to all the Investors/Unit Holders of all the Investment strategy(s) of the SIF that, pursuant to Notification No. S.O. 4419(E) dated December 10, 2019, SO. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019 and the provision no. 11.1.1 of para 11.1 under Chapter 11 of SEBI Master Circular for Mutual Funds, a stamp duty at the prescribed rate (at present @ 0.005%) of transaction value (amount for which units are allotted excluding any other deduction) would be levied on Subscriptions (including lumpsum and through systematic investments such as Systematic Investment Plans, Systematic Transfer Plan), Switch-ins, Reinvestment of IDCW Option etc. for units both in demat or physical mode. Accordingly, pursuant to levy of stamp duty, the number of units allotted to all applicable mutual fund transactions would be reduced to the extent of stamp duty amount. Please refer to SAI for further details.
F. Associate Transactions	Please refer to Statement of Additional Information (SAI).
G. Taxation	The information is provided for general information only. The information provided herein is as per the provisions of Income Tax Act 2025 (hereinafter referred to as **"IT Act"**). It may be noted that w.e.f. 01st April 2026, Income Tax Act 1961 has been repealed and has been replaced by the Income Tax Act 2025. Accordingly, w.e.f. 01st April 2026, the position as per the Income Tax Act 2025, as amended, has come into effect. This is not a tax advice. In view of the individual nature of the implications, each investor is strongly advised to consult his or her or their own tax advisors with respect to the specific tax and other implications arising out of his or her

participation in the Investment strategy/prior to making any investment/transaction.

For details on the taxation and other terms & conditions, please refer to Statement of Additional Information (SAI):

	Resident Investors	**Mutual Fund**
Tax on income distributed/dividend	With effect from 01st April 2020, the income distributed/dividend shall be taxed only in the hands of the unitholders. Mutual Funds shall be required to deduct tax at source ('TDS') on the income distributed/ dividend income at prescribed rates for all unitholders. The income distributed/ dividend shall be taxed in the hands of the unitholders at applicable tax rates provided under the Income Tax Act 2025. **TDS for Resident Unitholders:** TDS at the rate of 10% shall be deducted on income distributed/dividend income credited / paid to resident unitholders.	Classif **SIF** is a SIF registered with SEBI and as such is eligible for benefits under section 11 read with Schedule VII (sr. no.20) of the Income Tax Act, 2025 to have its entire income exempt from income tax. The Mutual Fund will receive income without any deduction of tax at source under the provisions of Section Section 393(v) of the Income-tax Act, 2025.
Capital gain Long Term: Short Term:	**Long Term Capital Gains** For transfers effected for such units on or after 23rd July 2024, the period of holding of the units for being treated as long term capital gain has been reduced to a. more than twenty four months for such Investment strategies which are not listed on the stock exchange and b. more than twelve months for such Investment strategies which are listed on the stock exchange.	Same as above.

	For transfers effected on or after 23rd July 2024, LTCG tax on the units of such Investment strategies will be 12.5% without indexation. **Short Term Capital Gains** For transfers effected on or after 23rd July 2024, the period of holding for being treated as short term capital gains is a. less than or upto twenty four months for such Investment strategies which are not listed on the stock exchange b. less than or upto twelve months for such Investment strategies which are listed on the stock exchange. Short Term Capital Gains tax on STCG shall be taxable at the applicable rates/marginal tax rate.	

(a) **Taxation on Segregated Portfolio:**

Holding Period of Segregated Units: In the case of a capital asset, being a unit or units in a segregated portfolio, there shall be included the period for which the original unit or units in the main portfolio were held by the assessee.

(b) **Cost of Acquisition:**

1. Cost of acquisition of a unit or units in the segregated portfolio shall be the amount which bears, to the cost of acquisition of a unit or units held by the assessee in the total portfolio, in the same proportion as the net asset value of the asset transferred to the segregated portfolio bears to the net asset value of the total portfolio immediately before the segregation of portfolios.
2. Cost of the acquisition of the original units held by the unit holder in the main portfolio shall be reduced by the amount as so arrived for the units of segregated portfolio.
3. Definitions of "main portfolio", "segregated portfolio" and "total portfolio" will be as provided in the SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160, dated the 28th December, 2018.

TDS for other than resident investors: TDS for other than resident investors will be required to be deducted on income distributed/dividend income/capital gains as per the applicable provisions including the IT Act and the DTAA.

Higher TDS: Higher TDS rates on income distributed/dividend and capital gains will apply as specified under the Income tax Act 2025 and the Rules made

		thereunder including in cases where PAN is not available or where any person has failed to intimate / link Aadhaar with PAN. **Surcharge and Health & Education Cess:** The tax on income distributed/dividend/capital gains tax/deduction of tax at source is to be increased by surcharge, if applicable. Further, Health and Education Cess @ 4% is to be charged on amount of tax and surcharge.
	H. Rights of Unitholders	Please refer to SAI for details
	I. List of official points of acceptance	Please refer to the link below for list of official point of acceptances for the Investment strategies of Classif **SIF i.e www.utimf.com/classif**
S.O.48 & 49	**J. Penalties, Pending Litigation or proceedings, Findings of Inspection or Investigations for which action may have been taken or is in the process of being taken by any regulatory authority.**	Please refer the below mentioned link for detail information: website link i.e www.utimf.com/classif

S.O.63 **Notwithstanding anything contained in this Investment Strategy Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.**

S.O.65 **The Trustees have ensured that the Classif Hybrid Long Short Fund approved by them is a new product offered by UTI Mutual Fund / Classif SIF and is not a minor modification of any existing strategy/fund/product**