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STATEMENT OF ADDITIONAL INFORMATION (SAI)

Name of Specialized Investment Fund (SIF): **H-SIF - by HDFC Mutual Fund** Name of Mutual Fund (Fund): **HDFC Mutual Fund** Name of Asset Management Company (AMC): **HDFC Asset Management Company Limited** Name of Trustee Company: **HDFC Trustee Company Limited** Address of the entities:	
Asset Management Company (AMC): HDFC Asset Management Company Limited Registered Office : HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. CIN No: L65991MH1999PLC123027	**Trustee Company:** HDFC Trustee Company Limited Registered Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. CIN No. U65991MH1999PLC123026
Webpage of SIF: hsif.hdfcfund.com	

This Statement of Additional Information (SAI) contains details of H-SIF by HDFC Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference and is legally a part of the Investment Strategy Information Document (ISID).

This SAI is dated September 30, 2026.

TABLE OF CONTENTS

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES....4
A. CONSTITUTION OF THE MUTUAL FUND....4
B. CONSTITUTION OF THE SPECIALIZED INVESTMENT FUND....4
C. SPONSOR....4
D. THE TRUSTEE....5
I. DETAILS OF TRUSTEE DIRECTORS....5
RIGHTS, OBLIGATIONS, RESPONSIBILITIES AND DUTIES OF THE TRUSTEE....7
II. ASSET MANAGEMENT COMPANY....10
DETAILS OF AMC DIRECTORS:....11
DUTIES AND OBLIGATIONS OF THE AMC AND ITS EMPLOYEES....22
INFORMATION ON KEY PERSONNEL:....28
INVESTMENT TEAM....31
III. SERVICE PROVIDERS....42
IV. CONDENSED FINANCIAL INFORMATION (CFI)....42
V. RISK FACTORS....43
1. STANDARD RISK FACTORS....43
2. SPECIAL CONSIDERATIONS....46
VI. HOW TO APPLY....48
A. SPECIAL PRODUCTS/FACILITIES AVAILABLE UNDER VARIOUS INVESTMENT STRATEGIES (INVESTORS MAY ALSO REFER TO THE RESPECTIVE ISIDS):....59
B. DEFAULT SCENARIOS AVAILABLE TO THE INVESTORS UNDER PLANS/ OPTIONS OF THE INVESTMENT STRATEGIES:....69
VII. RIGHTS OF UNITHOLDERS OF THE INVESTMENT STRATEGY....71
VIII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS....75
IX. COMPUTATION OF NAV....101
A. POLICY OF COMPUTATION OF NAV:....101
B. POLICY FOR COMPUTATION OF NAV IN FOREIGN SECURITIES:....101
C. PROCEDURE IN CASE OF DELAY IN DISCLOSURE OF NAV: -....102
X. TAX & LEGAL & GENERAL INFORMATION....102
A. TAXATION ON INVESTING IN SIF....102
B. LEGAL INFORMATION....114
C. GENERAL INFORMATION....128
XI. DISCLOSURES AND REPORTS BY THE FUND....146

INTERPRETATION

For all purposes of this SAI, except as otherwise expressly provided or unless the context otherwise requires:

- all references to the masculine shall include the feminine and all references to the singular shall include the plural and vice-versa.
- all references to “dollars” or “$” refer to United States Dollars and “Rs”. refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.
- all references to timings relate to Indian Standard Time (IST).
- all references to “day” means “calendar day including Non Business Day”
- please note that words, expressions and abbreviations used in the SAI but not defined will have the same meaning as assigned to them in the Investment Strategy Information Document (ISID) of the respective Investment Strategy of H-SIF.

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. CONSTITUTION OF THE MUTUAL FUND

HDFC Mutual Fund has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882, as per the terms of the trust deed dated June 8, 2000 and deeds of variation dated June 11, 2003 and June 19, 2003 respectively; with Housing Development Finance Corporation Limited (HDFC) being the Sponsor/Settlor, abrdn Investment Management Limited (abrdn) being the co-sponsor and HDFC Trustee Company Limited being the Trustee. The Trust Deed and subsequent variations have been registered under the Indian Registration Act, 1908. The Mutual Fund has been registered with SEBI, under registration code MF/044/00/6 on June 30, 2000. Effective June 20, 2023, abrdn has ceased to be the co-sponsor. Pursuant to the acquisition of HDFC by HDFC Bank Limited; effective July 1, 2023, HDFC Bank Limited has succeeded as the Sponsor of HDFC Mutual Fund. HDFC Mutual Fund has received necessary NOC/approval from SEBI to establish Specialized Investment Fund (SIF).

B. CONSTITUTION OF THE SPECIALIZED INVESTMENT FUND

H - SIF by HDFC Mutual Fund ("the Fund") in terms of Regulation 48 of SEBI Mutual Fund Regulations 2026 ("SEBI (MF) Regulations"), with HDFC Trustee Company Limited as the Trustee and HDFC Asset Management Company Limited as the Asset Management Company (AMC). The Fund was granted no objection to establish the SIF by SEBI on May 21, 2025.

C. SPONSOR

HDFC Mutual Fund is sponsored by HDFC Bank Limited. The Sponsor is the Settlor of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs. One lakh to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

HDFC BANK LIMITED

HDFC Bank is India's largest private sector bank by balance sheet size as on March 31, 2026. It was incorporated in August 1994 by the erstwhile Housing Development Finance Corporation Limited (HDFC Ltd.) which was amongst the first financial institutions in India to receive an 'in-principle' approval from the Reserve Bank of India to set up a bank in the private sector.

Starting as a bank focused on corporates and transaction banking, HDFC Bank evolved into a full fledged commercial bank covering all segments and products and today is a leader in many of the segments it operates in.

On July 1, 2023, HDFC Limited merged with and into HDFC Bank, enabling the Bank to add mortgages to its suite of products. This also brought several marquee financial services institutions, including HDFC Life, HDFC AMC and HDFC Ergo as subsidiaries under the HDFC Bank Group, in addition to the existing HDFC Securities and HDB Financial Services.
Today HDFC Bank is a professionally managed organization, overseen by an experienced Board of Directors and does not have an identified promoter.

As of March 31, 2026, the Bank's physical distribution network included 9,689 branches and 21,172 ATMs spread across 4,175 cities and towns. 50 per cent of the Bank's branches are in semi urban and rural locations.

The Bank's international operations comprise five branches, located in Bahrain, Dubai, Hong Kong, Singapore and an IFSC Banking Unit in Gujarat International Finance Tec-City. Additionally, it has four representative offices in Abu Dhabi, Dubai, London, and Nairobi, respectively.

Financial Performance of the Sponsor for the past 3 years:

(Rs. in crores)

Particulars	FY 25-26	FY 24-25	FY 23-24
Net Worth	5,46,325.46	4,88,899.89	4,27,634.18
Total Income	3,70,054.63	3,46,149.32	3,07,581.55
Profit after tax	74,671.29	67,347.36	60,812.27
Assets Under Management	Not Applicable	Not Applicable	Not Applicable

D. THE TRUSTEE

HDFC Trustee Company Limited (the "Trustee"), through its Board of Directors, shall discharge its obligations as trustee of H-SIF. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI (Mutual Funds) Regulations, 2026 ("MF Regulations') and will also review the activities carried on by the AMC.

As regards to the SIF, the Trustee ensures that all the activities of the SIF are in accordance with the provisions of the MF Regulations and Circulars issued in this regard from time to time.

I. DETAILS OF TRUSTEE DIRECTORS

Name	Age	Educational Qualification	Brief experience
Mr. Dindayal Jalan	69 years	Chartered Accountant	Mr. Dindayal Jalan has been appointed as an Independent Director on the Board of HDFC Trustee Company Limited with effect from November 1, 2019. Mr. Jalan is currently a board member of publicly listed and unlisted companies and is actively engaged in the investing ecosystem. He is a Chartered Accountant with over 4 decades of experience in large-scale metals and mining businesses. He served as Group CFO of Vedanta Resources Plc UK and CFO of Vedanta Limited, until superannuation in September 2016. He processes deep expertise in enhancing shareholders value by improving capital management, operational efficiencies and highest level of governance structure. His current Board position includes Independent Director roles within the Vedanta and HDFC Group companies. His career includes leadership roles at the Aditya Birla Group and Sterlite Industries (now Vedanta), spanning CEO and CFO positions, turnarounds, M&A, capital raising, and strategic planning.
Mr. Annaswamy Vaidheesh	66 years	Bachelor of Science (Physics) (Madras University);	Mr. Annaswamy Vaidheesh has been appointed as an Independent Director on the Board of HDFC Trustee Company Limited with effect from July 4, 2024.

		Master's Degree Marketing Management (Mumbai University)	He is currently an experienced board leader and advisor in the healthcare and life sciences sector, and serves on the boards of multiple organizations. He has over four decades of leadership experience across healthcare and FMCG, having held senior leadership roles at global organizations including Johnson & Johnson and GlaxoSmithKline. Mr. Vaidheesh brings strong expertise in general management, strategy, and leadership development, with a proven track record of building and scaling businesses, creating market-leading brands, and leading high-performance teams across diverse geographies in the Asia-Pacific region. He has also played an active role in shaping industry dialogue, having served as President of Organization of Pharmaceutical Producers of India and as Chair/member of several industry committees and councils. He has been recognised by leading institutions such as The Economic Times for his leadership contributions.
Mr. Vimal Bhandari	68 years	Chartered Accountant, Bachelor of Commerce (Hons.)	Mr. Vimal Bhandari has been appointed as an Independent Director on the Board of HDFC Trustee Company Limited with effect from May 27, 2017. He is an accomplished, dedicated and focused professional with experience of over thirty-five years in a range of businesses in the financial services industry, of which twenty five years have been at the Board level. Till October 2024, Mr. Bhandari was the Executive Vice Chairman and CEO of Arka Fincap Limited (AFL), a wholly owned subsidiary of Kirloskar Oil Engines Limited and was established in 2018. He has long and rich experience of building businesses from inception stage (startup team of IL&FS, first country head of AEGON, first CEO of lndoStar Capital and Arka Fincap) and managing their growth and scale has honed skills and experience in business strategy, planning, execution with a strong bottom-line focus, meeting the expectations of key stakeholders, recruiting, leading and managing senior management talent and providing an environment of support for performers. A firm believer in building businesses using processes and procedures, and

			operating in an ethical framework of governance, Mr. Bhandari has an unblemished record of dealing with various stakeholders across the spectrum, including institutional investors, banks, and corporates. He serves as an Independent Director on Boards of various companies in diverse business segments including Escorts Kubota, KEC International, Poly Medicure JK Lakshmi Cement. Mr. Bhandari is a Commerce graduate from Mumbai University (Sydenham College) and Chartered Accountant from the Institute of Chartered Accountants of India.
Mr. Jimmy Tata	60 years	Master of Financial Management from Jamnalal Bajaj Institute of Management and Chartered Financial Analyst from the Institute of Chartered Financial Analyst of India	Mr. Tata has an overall experience of over 35 years in the Banking and Financial sector. He is associated with HDFC Bank since 1994 and is currently the Chief Credit Officer. The role involves developing Credit Risk Programmes and Policy, Underwriting of Loans and Credit Products, monitoring of all portfolios and Receivables Management in addition to Credit Analytics and Fraud Control. He joined as a Relationship Manager in Corporate Banking Department and over the years was promoted as Head of the Corporate Banking Department. In June 2013 he was appointed as Chief Risk Officer of HDFC Bank. Prior to joining HDFC Bank, he worked for Strategic Consultants Pvt Ltd. and Apple Industries Ltd. Mr. Tata is a Director on the Board of International Asset Reconstruction Co. Pvt. Ltd and a Trustee of HDB Employees Welfare Trust. He also served as a Director on the Board of HDB Financial Services Ltd till July 14, 2026.

RIGHTS, OBLIGATIONS, RESPONSIBILITIES AND DUTIES OF THE TRUSTEE

1) Appointment and termination of AMC

a) The Trustee, with prior approval from SEBI, shall appoint an AMC and shall enter into an investment management agreement with the AMC.
b) The investment management agreement shall include the clauses set out in the Third Schedule of SEBI (MF) Regulations and any additional clauses necessary for the purpose of investments and fair and transparent functioning of the AMC.
c) A copy of the draft investment management agreement shall be enclosed with the trust deed.
d) The Trustee shall ascertain that the AMC has the necessary expertise, internal control systems and risk management mechanism to invest and manage assets of the SIF.

e) The Trustee shall ensure that the AMC establishes systems and submits reports and information that the Trustee may require in discharging their responsibility under SEBI (MF) Regulations including matters relating to:
   i. prevention and oversight of mis-selling;
   ii. prevention and oversight of undue influence of sponsor;
   iii. ensuring adequate systems are in place to prevent misconduct including market abuse and;
   iv. addressing potential conflict of interest.

f) Where the Trustee have reason to believe that the conduct of business of the AMC is not in accordance with SEBI (MF) Regulations, the contraventions by AMC and remedial action taken by the Trustee shall immediately be informed to SEBI.

g) Termination of the assignment of the AMC by the Trustee may be under the below given circumstances and shall be subject to prior approval from SEBI:
   i. Trustee own accord if they have reasons to believe that the affairs of the AMC are being conducted in contravention to the provisions of SEBI (MF) Regulations; or
   ii. Request by the AMC.
   Explanation: Termination shall become effective only after the Trustee have accepted the termination of assignment and communicated their decision in writing to the AMC.

2) Addressing conflict of interest and broker empanelment:

The Trustee shall take all necessary measures as they deem necessary to ensure that any conflict of interest involving the AMC is effectively addressed and such measures shall include:

a) conducting a quarterly review of reports submitted by the AMC on transactions between the SIF and the AMC or its associates;

b) ensuring that the AMC does not grant unfair advantage to its associates or engage in transactions that may prejudice the interests of unitholders;

c) ensuring that the AMC manages each SIF Investment Strategy independently of its other business activities, and adopts safeguards to ensure fair and equitable treatment of investors across all Investment Strategies, without compromising the interests of one Investment Strategy for another or for its other businesses; and

d) approving broker empanelment policy of the AMC and ensuring that brokers are empaneled after requisite due diligence, and that broker transactions are monitored to avoid undue concentration of business or unfair advantage to any associate or group entity.

3) Regulatory compliance and trustee responsibilities

a) The Trustee shall have the right to request for any information from the AMC that they deem necessary.

b) The Trustee shall ensure that the AMC complies with the obligations set out under regulation 22 of SEBI (MF) Regulations, adhere to the Code of Conduct applicable to asset management companies, and observe all other provisions of SEBI (MF) Regulations.

c) The transactions under the SIF Investment Strategies are in accordance with the provisions of SEBI (MF) Regulations and trust deed, and the AMC makes investments only in permissible instruments, in compliance with SEBI (MF) Regulations and in alignment with the stated investment objectives of each Investment Strategy.

d) The Trustee shall be accountable for and be the custodian of the funds and property of the respective Investment Strategies and shall hold them in trust for the benefit of unitholders in accordance with SEBI (MF) Regulations and the provisions of trust deed.

4) Trustee oversight for investor interests

a) The Trustee shall abide by the Code of Conduct as specified in Part - A of the Fourth Schedule of SEBI (MF) Regulations.

b) The Trustee shall obtain unitholder consent:
   i. when required by SEBI for the benefit of unitholders;
   ii. on the requisition of three-fourths of the unitholders of any Investment Strategy and

iii. when the majority of Trustee decide to wind up an Investment Strategy or prematurely redeem units of a closed-ended Investment Strategy. No amendments to the Trust Deed shall be made without prior approval of SEBI & Unitholders, where it affects the interests of unitholder

c) The Trustee shall request details of securities transactions by key personnel of the AMC, whether made in their own name or in the name of the AMC, and report to SEBI when required.
d) The Trustee shall periodically review investor complaints and their resolution by the AMC.
e) The Trustee shall appoint auditor, who is not in any manner associated with the auditor of the AMC, for audit of annual statement of accounts of SIF Investment Strategies.
f) The Trustee shall submit to SEBI on a half-yearly basis
   i. a report on the activities of the mutual fund;
   ii. a certificate confirming there have been no instances of self-dealing or front running by Trustee, directors, or key personnel of the AMC and
   iii. a certificate confirming that the AMC has managed the Investment Strategies independently of other activities, and any conflicts were addressed to protect unitholders' interests.
g) The independent Trustee, i.e. Trustee not associated with the sponsors, shall review and give their comments on the reports received from AMC on investments in securities of group companies of the sponsor.

5) Additional trustee oversight

a) The Trustee shall review the AMC's net worth quarterly to ensure compliance with clause (e) of sub-regulation (1) of regulation 5 of SEBI (MF) Regulations.
b) The Trustee shall ensure there is no conflict of interest in how the AMC deploys its net worth and the interests of unitholders.
c) The Trustee shall periodically review service contracts related to custody arrangements and ensure they serve the unitholders' interests.
d) The Trustee shall review the details of securities transactions filed by directors of the AMC on a quarterly basis.
e) The Trustee shall exercise due diligence as under:

General Due Diligence:

i. The Trustee shall be discerning in the appointment of the directors on board of the AMC.
ii. The Trustee shall review the desirability or continuance of the AMC if substantial irregularities are observed in any of the Investment Strategies of the SIF, and shall not permit the AMC to float new Investment Strategies until such irregularities are resolved.
iii. The Trustee shall ensure that the trust property is adequately protected, held and administered by persons with necessary expertise and experience, and in a manner that ensures adequate oversight through an appropriate number of such persons.
iv. The Trustee shall ensure that all service providers engaged for SIF related services are holding appropriate registrations from SEBI or concerned regulatory authority.
v. The Trustee shall arrange for test checks of service contracts relating to key service providers, whose services, functions, operations and access to information or assets is critical to, or could materially influence the protection of investor interests.
vi. The Trustee shall immediately report to SEBI of any special developments in the SIF.

Specific due diligence:

i. The Trustee shall obtain internal audit reports at regular intervals from independent auditors appointed by them.
ii. The Trustee shall obtain compliance certificates at regular intervals from the AMC.
iii. The Trustee shall meet periodically to review reports and functioning of AMC and ensure compliance with SEBI (MF) Regulations.
iv. The Trustee shall maintain records of the decisions of the Trustee at their meetings and of the minutes of the meetings.
v. The Trustee shall prescribe the Code of Ethics to be adhered to by the AMC and its personnel.

vi. The Trustee shall communicate in writing to the AMC of the deficiencies and review the rectification of such deficiencies.

f) The independent directors of the Trustee and AMC shall exercise oversight over: —
   i. the investment management agreement and the compensation paid under the agreement;
   ii. fees and ensure that fees charged in service contracts entered with associates are not higher than those charged by outside contractors for the similar services;
   iii. securities transactions involving associates to the extent such transactions are permitted;
   iv. selecting and nominating individuals to fill independent directors' vacancies;
   v. ensuing code of ethics designed prevents fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions;
   vi. the reasonableness of fees paid to sponsors, AMC and any others for services provided; and;
   vii. any service contract with the associates of the AMC.

g) The Trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence.

6) The Trustee shall also exercise due diligence on such matters as may be specified by SEBI.

The Trustees shall ensure that all activities of the SIF are in accordance with the provisions of SEBI (MF) Regulations, Circulars as issued by SEBI / AMFI from time to time.

On a regular basis, activity report forwarded by the AMC will be discussed at the Board meeting of the Trustee. The Board meeting of the Trustee shall be held at least once in every quarter and at least four such meetings shall be held in every year or at such frequency as may be prescribed under the SEBI (MF) Regulations from time to time. The quorum for a Board meeting of the Trustee shall not be constituted unless such number of independent directors as may be prescribed under SEBI (MF) Regulations from time to time are present at the meeting.

Supervisory Role of the Trustee

During the financial year 2025-26, 7 meetings of the Board of Directors of the Trustee Company were held. Further, during the period April 1, 2026 to till date, the Board of Directors of Trustee Company met 3 times. The Audit Committee comprising three independent Directors and one Associate Director of the Board of Directors of Trustee Company, met 6 times during the financial year 2025-26. Further, during the period April 1, 2026 to till date, the Audit Committee met 3 times.

II. ASSET MANAGEMENT COMPANY

HDFC Asset Management Company Limited is a public limited company incorporated under the Companies Act, 1956 on December 10, 1999, existing under the Companies Act, 2013 and the equity shares of the Company were listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') on August 06, 2018 having its Registered Office at HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. HDFC Asset Management Company Limited has been appointed as the Asset Management Company of HDFC Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated June 8, 2000, executed between HDFC Trustee Company Limited and HDFC Asset Management Company Limited.

Other Activities of the AMC

The AMC offers Portfolio Management/Non-Binding Investment Advisory services and such activities are not in conflict with the activities of the Mutual Fund. The AMC has renewed its registration obtained from SEBI vide Registration No. - PM/INP000000506 dated February 29, 2024 to act as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 2020.

The said certificate of registration is valid unless it is suspended or cancelled by SEBI. The AMC acts as the Investment Manager for category II AIFs. The AMC will ensure that there are no material conflicts of interest. Any potential conflicts between the AIF and the Mutual Fund will be adequately addressed by (a) compliance with the requirements under Regulation 21(b) of the SEBI (MF)

Regulations (b) ensuring that the fund manager(s) of each scheme of the Mutual Fund, will not play any role in the day-to-day operations of the AIF and the Key Investment Team of the AIF is not involved with the activities of the Mutual Fund; and (c) ensuring that there is no inter se transfer of assets between the Mutual Fund and any scheme of the AIF.

The AMC offers management and/or advisory services to permitted categories of Foreign Portfolio Investors investing in India through fund manager(s) managing the schemes of the Fund ("Business Activity") as permitted under Regulation 21(b) of the SEBI (MF) Regulations as amended from time to time and subject to such conditions as may be specified by SEBI from time to time. The services provided by the AMC for the said Business Activity shall inter-alia include India focused research, statistical and analytical information. While, undertaking the said Business Activity, the AMC shall ensure that (i) there is no conflict of interest with the activities of the Fund; (ii) there exists a system to prohibit access to insider information as envisaged under the Regulations; and (iii) Interest of the Unit holder(s) of the Scheme of the Fund are protected at all times.

Subsidiary of the AMC

HDFC AMC International (IFSC) Limited ("HAMC IFSC" or the "Company") is a publicly listed company and a wholly owned subsidiary of HDFC Asset Management Company Limited ("HDFC AMC"). The Company is incorporated under the provisions of the Companies Act, 2013 and is registered with the International Financial Services Centres Authority (IFSCA) as a Fund Management Entity (Retail) ("FME Retail") in accordance with the IFSCA (Fund Management) Regulations, 2025 ("IFSCA FM Regulations"). The Company carries out fund management activities from Gujarat International Finance Tec-City (GIFT City).
These activities are carried out in accordance with the IFSCA FM Regulations and pursuant to the NOC granted by SEBI.

In terms of the Investment Management Agreement, the Trustee has appointed HDFC Asset Management Company Limited to manage the HDFC Mutual Fund. The paid up share capital of HDFC Asset Management Company Limited was Rs. 214.200 crore as at March 31, 2026.
As on **March 31, 2026** equity share holding pattern of the AMC was as follows:

Particulars	% of the paid-up equity share capital
HDFC Bank Limited	52.37
Other Shareholders	47.63

DETAILS OF AMC DIRECTORS:

Name	Age	Educational Qualification	Brief experience
Mr. Deepak S. Parekh	81 years	Fellow of the Institute of Chartered Accountants (England & Wales)	**Mr. Deepak S. Parekh** has been a Non-Executive Non-Independent Director and Chairman of the Company since July 4, 2000. He was the Chairman of Housing Development Finance Corporation Limited ('HDFC Ltd') from 1993 to 2023 and was associated with the HDFC Ltd for 45 years. HDFC Ltd was India's first retail housing finance company that helped turn the dream of owning a home into a reality for millions across the country. Mr. Parekh's astute business acumen and

			vision not only made HDFC the leader in mortgages but also transformed it into India's leading financial services conglomerate, with a presence in banking, asset management, life insurance, general insurance, property funds, education loans and education. HDFC Ltd merged into HDFC Bank Limited ('HDFC Bank') with effect from July 1, 2023. This merger has resulted in HDFC Bank being amongst the top 10 banks globally in terms of market capitalisation. He is a fellow of the Institute of Chartered Accountants, 'England and Wales'. Mr. Parekh is also currently the non-executive chairman of HDFC Capital Advisors Limited, Siemens Limited and Leela Palaces Hotels & Resorts Limited in India and is on the board of the National Investment and Infrastructure Fund (NIIF). Mr. Parekh is also on the international boards of DP World–UAE. He is on the international advisory boards of Warburg Pincus LLC and Fairbridge Capital Private Limited. The Mayor of London in 2017 named Mr. Parekh as the first of a network of international ambassadors for championing London across the globe. In addition to being known for his vociferous views seeking standardisation and transparency in the real estate sector, Mr. Parekh played a key role as Special Director on the Satyam Board in 2009 to revive the company and a crucial role during the restructuring of UTI in the late '90s, which helped regain investors' confidence. Mr. Parekh has always been willing to share his ideas and experience to formulate reform policies across sectors. Mr. Parekh has been a member of various high-powered Economic Groups, Advisory Committees and Task Forces which include infrastructure, housing, financial services, and capital markets.

			A man with a mission, Mr. Parekh's philosophy on Corporate Social Responsibility is simple yet profound. He believes that if a company earns, it must also return to society and that companies owe a responsibility not just to shareholders, but also to all its stakeholders. Government and Industry impressed by Mr. Parekh's performance and sobriety, have honoured him with several awards. Some of the most important ones are; the Padma Bhushan in 2006, the 'Bundesverdienstkreuz' Germany's Cross of the Order of Merit one of the highest distinctions by the Federal Republic of Germany, in 2014, the 'Knight in the Order of the Legion of Honour' one of the highest distinctions by the French Republic, in 2010, and the first international recipient of the Outstanding Achievement Award by the Institute of Chartered Accountants in England and Wales in 2010.
Ms. Renu S. Karnad	73 years	Masters in Economics from University of Delhi, Graduate in Law from University of Mumbai, Parvin Fellow – Woodrow Wilson School of International Affairs, Princeton University, U.S.A.	**Ms. Renu Sud Karnad** has been a Non-Executive Non-Independent Director on the Board of the Company since July 4, 2000. She was the Managing Director of the erstwhile Housing Development Finance Corporation Limited from 2010 till June 30, 2023. From 1st July 2023, she is a Non-Executive and Non-Independent Director on the Board of HDFC Bank Limited. She holds a Master's degree in Economics from the University of Delhi and a Bachelor's degree in Law from the University of Mumbai. She is a Parvin Fellow at the Woodrow Wilson School of Public and International Affairs, Princeton University, USA. Ms. Karnad has to her credit numerous awards and accolades. Prominent among them is being featured in the list of '25 top non-banking women in finance' by the US Banker magazine, listed by Wall Street Journal Asia as among the 'Top Ten Powerful Women to Watch Out for in Asia', 'Outstanding Woman Business Leader' by CNBC-TV18, and 25 Most

			Influential Women Professionals in India by India Today. Ms. Karnad is a Chairperson on the Board of GlaxoSmithKline Pharmaceuticals Limited, PayU Payments Private Limited, HDFC Capital Advisors Limited, HDFC ERGO General Insurance Company Ltd, EIH Limited, Bangalore International Airport Limited and Nudge Lifeskills Foundation.
Mr. Sanjay Bhandarkar	58 years	B. Com. (University of Pune), MBA (XLRI, Jamshedpur)	**Mr. Sanjay Bhandarkar** is an Independent Director on the Board of the Company with effect from October 31, 2018. He has over three decades of corporate finance, advisory and investment banking experience in the country. He is also currently an independent non-executive director on the boards of other listed companies; The Tata Power Company Limited, Chemplast Sanmar Limited and Tata Consultancy Services Limited, one unlisted company; Tata Projects Limited, and on the board of the National Investment and Infrastructure Fund Limited as a shareholder nominee. He is also Director on the board of Newage Power Private Limited. Mr. Bhandarkar is also on the Investment Committee of the South Asia Growth Fund II and III of GEF Capital Partners as an external IC member. He is on the advisory board of 1Crowd, a seed capital stage online investing platform which has also raised a SEBI approved fund for seed stage investing. Mr. Bhandarkar started his career with ICICI in 1990 and ISec, the joint venture between ICICI and JP Morgan, and then spent two years with Peregrine Capital. He was part of the founding team of Rothschild India in 1998 and played a key role in establishing Rothschild as a well-recognised and respected pure-play advisory investment banking firm in India. He led the Rothschild India business from December 2005 to June

			2016, when he stepped down from his full-time role. Mr. Bhandarkar 's focus at Rothschild was on M&A as well as equity capital market advisory for Indian and international companies. He led the teams that worked closely with the Government of India on the 3G and BWA spectrum auctions, the first e-auctions done in India, and on the restructuring of the Enron and GE-owned Dabhol power project, one of the largest and most complex restructurings to date. Mr. Bhandarkar did B.Com. from the University of Pune and an MBA from XLRI, Jamshedpur, in 1990. He lives in Mumbai.
Mr. Jairaj Purandare	67 years	B.Sc. (Hons) (University of Mumbai), Chartered Accountant	**Mr. Jairaj Purandare** is an Independent Director on the Board of the Company with effect from October 31, 2018. He is a Fellow member of the Institute of Chartered Accountants of India and holds a Bachelor of Science (Hons) from the University of Bombay. He has completed the YPO Presidents Programme from Harvard Business School. Mr. Purandare has over four decades of experience in accounting, tax and business advisory matters. He is the Founder Chairman of JMP Advisors Private Limited, a leading advisory, tax and regulatory services firm, based in Mumbai, India. Mr. Purandare was Regional Managing Partner, Chairman–Tax and Country Leader–Markets & Industries of Pricewaterhouse Coopers, India. He was earlier Chairman of Ernst & Young India and Country Head of the Tax & Business Advisory practice of Andersen India. He has significant expertise in advising large and multinational clients across various sectors viz. Financial Services, Infrastructure, Power, Telecom, Media, Pharma and Auto sectors. International Tax Review, in its report World's Leading Tax Advisors, has named Mr. Purandare several times as among the leading Tax Advisors in India.

			Mr. Purandare is a regular speaker at seminars in India and abroad and has presented several papers in areas of his expertise, including inbound/ outbound investment structuring, international tax, transfer pricing, M&As, Indian Budget and Economy. Mr. Purandare is an Independent Director in listed companies viz. Piramal Pharma Limited, CIE Automative India Limited, Indegene Limited and at PayU Payments Private Limited, an unlisted company. He also holds directorship in JMP Advisors Private Limited and is a Designated Partner in JMP & Co LLP. Mr. Purandare is a steering committee member of the ITSG International Network and is a member of the City of London Advisory Council for India. He is a former member of the National Council of Confederation of Indian Industry (CII) and former Chairman of the Taxation Committee of CII. He has been a member of the Central Direct Taxes Advisory Committee, chaired by the Finance Minister. Mr. Purandare was also the Regional Networks Chair and Finance Chair of YPO Gold and continues to be a member.
Mr. Parag Shah	50 years	Bachelor's degree in Science (Computer Engineering) from the Illinois Institute of Technology, Graduate of the General Management Program of the Harvard Business School	**Mr. Parag Shah** is an Independent Director on the Board of the Company with effect from January 22, 2019. He is Founder and Partner of Amara Partners, a mid-market Private Equity fund. Amara Partners provides growth capital to businesses and supports entrepreneurs in strategy, innovation, digitisation, change management, governance and business transformation. In a career spanning over 25 years, Mr. Shah has held various positions with the Mahindra Group and in his last role, he was a Member of the Group Executive Board. Mr. Shah has extensive experience in building new businesses, turnarounds, joint ventures, mergers & acquisitions and IPOs. He was the Managing Partner of Mahindra Partners, the 1 Bn USD Private Equity

			and Venture Capital division of the Group that was in charge of diverse businesses like Logistics, Renewable Energy, Retail, Manufacturing (Steel components, Conveyor Systems, Boats), Consulting, Media and Healthcare. He had also set up the Group Silicon Valley office for technology investments and start up partnerships. Mr. Shah was Chairman of GPMD program, Co-Chairman of the Group Diversity Council, Member of Group Sustainability & an Executive Committee member of various councils of Mahindra Learning University. He was the Group lead for business representation in Israel. Mr. Shah is a Director on several companies such as Mahindra Accelo, Mahindra Waste to Energy, The Indian and Eastern Engineer Company, Global Chess League (Geneva) & PSL Media and Communication. He is also an Independent Director on the Boards of Lumax Auto Technologies Limited, Thermax Limited and KPIT Technologies Limited. Mr. Shah holds a BS Degree in Computer Engineering from the Illinois Institute of Technology with special electives in Psychology and Manufacturing Technology. He is also a graduate of the General Management Programme from Harvard Business School. Mr. Shah has been an Executive Committee Member of the CII National Committee on Private Equity and Venture Capital, FICCI Solar Energy Task Force, CII National Committee on Renewable Energy, CII National Healthcare Council, American Alumni Association in addition to other external associations. He is also an angel investor & is on the Board of Trustees of The IndUS Entrepreneurs (TiE), Mumbai, and J.C. Mahindra Memorial School. Mr. Shah has been recognised by Economic Times & Spencer Stuart as India's Top 40 Business Leaders under

			the age of 40. He was also featured by India Today as 'Leaders of Tomorrow' in their anniversary issue. Mr. Shah is affiliated with various NGO associations such as the Sabarkanta Relief Committee and S&G Charitable Trust. He has also been a Founder Director of 'Executives Without Borders', an NGO based in the USA.
Ms. Roshni Nadar Malhotra	44 years	MBA from the Kellogg Graduate School of Management, Northwestern University	**Ms. Roshni Nadar Malhotra** is an Independent Director on the Board of the Company with effect from April 27, 2019. She is the Chairperson of HCL Technologies Limited, a leading global technology company with revenues of 14.7 Billion. She assumed this role in 2020, becoming the first woman to lead a listed Indian IT company. She has played a central role in shaping the company's strategic direction, strengthening governance, and guiding its evolution with a steady focus on resilience, trust, and long-term value. Ms. Nadar Malhotra is the Managing Trustee of the Shiv Nadar Foundation. Since its inception, the Shiv Nadar Foundation has invested $1.5 Billion in nation-building institutions and driving transformational leadership. Ms. Nadar Malhotra is also the Chairperson and driving force behind VidyaGyan, a leadership academy for the economically underprivileged, meritorious, rural students of Uttar Pradesh, and has been working towards nurturing future leaders from rural India who can be catalysts of change for their communities, villages and the nation at large. Passionate about wildlife and conservation, Ms. Nadar Malhotra established The Habitats Trust in 2018. The Foundation aims to work towards protecting India's natural habitats and its indigenous species with the core mission of creating and conserving sustainable ecosystems through strategic partnerships and collaborations with all stakeholders at every level.

			Ms. Nadar Malhotra is a member of the Dean's Advisory Council at the MIT School of Engineering, USA, and also a member of the Kellogg School of Management Executive Board for Asia. She serves on the board of directors of the US-India Strategic Partnership Forum (USISPF) and is on the global board of directors of The Nature Conservancy (TNC). In recognition of her outstanding work both in business and in philanthropy, Ms. Nadar Malhotra has received several honours and accolades. France's highest civilian award Chevalier de la Légion d'Honneur (Knight of the Legion of Honour) has been conferred on her in 2024. In 2023, she was featured for the seventh consecutive year in 'The World's 100 Most Powerful Women' list, compiled and released by Forbes. Since 2019, she has been producing an episode series on the most endangered wildlife species in India - 'On The Brink'. The episodes on Bats and Gharials have been recipients of two National Film Awards in the category of science & environment. Ms. Nadar Malhotra has also produced a children's film, 'Halkaa', based on the unique journey of a slum child battling the issue of open defecation. She holds a degree in Communications from Northwestern University and an MBA from the Kellogg School of Management, where she received the Dean's Distinguished Service Award. Her other recognitions include Babson College's Community Changemaker Award (2017) and Kellogg's Schaffner Award (2023).
Mr. Dhruv Subodh Kaji	75 years	B.Com. (University of Mumbai), Chartered Accountant	**Mr. Dhruv Kaji** is an Independent Director on the Board of the Company with effect from October 31, 2018. He was Finance Director of Raymond Limited, Executive Director of Pines worth Holdings Pte. Ltd. (Singapore) and a Director on the Boards of Raymond Apparel Limited, Colorplus

			Fashions Limited, Hindustan Oil Exploration Company Limited, Balaji Telefilms Limited, Balaji Motion Pictures Limited, Network18 Media & Investments Limited and TV18 Broadcast Limited; he was also on the advisory board of Essar Steel Limited. He is currently an advisor, evaluating and guiding business projects, strategies and organisational development, both in India and abroad. Mr. Kaji is also on the Board of Ceinsys Tech Limited.
Mr. V. Srinivasa Rangan	66 years	Bachelor's degree in Commerce from University of Delhi. Associate Member of The Institute of Chartered Accountants of India (ICAI). Graduate member of I.C.M.A.I (The Institute of Cost Accountants of India)	**Mr. V. Srinivasa Rangan** is a Non-Executive Non-Independent Director (Nominee of HDFC Bank Limited) on the Board of the Company with effect from January 12, 2024. He is the Executive Director of HDFC Bank Limited ('HDFC Bank') and heads the Human Resources, Corporate Legal, Group Oversight & Secretarial, Investment Banking, Information Security Group, Ethics Function and Fraud & Vigilance functions of HDFC Bank. He holds a Bachelor's degree in Commerce from University of Delhi and is a Graduate member of the Institute of Cost Accountants of India and an Associate of the Institute of Chartered Accountants of India (ICAI) qualified as a rank holder. Mr. Rangan was an Executive Director & Chief Financial Officer of Housing Development Finance Corporation Limited prior to its amalgamation with HDFC Bank w.e.f. July 1, 2023, and is an expert in finance, accountancy, audit, economics, corporate governance, legal & regulatory compliance, risk management and strategic thinking. He has vast experience in the housing finance and real estate sectors. Mr. Rangan has worked on international consulting assignments in housing finance in Ghana and the Maldives. He has been a member of various committees related to financial services, such as the RBI's Committee on Asset

			Securitisation and Mortgage-backed Securitisation, the Technical Group formed by the National Housing Bank (NHB) for setting up a Secondary Mortgage Market Institution in India, NHB's Working Group on Covered Bonds and the NHB's Working Group on Credit Enhancement Mechanism. Mr. Rangan was conferred the "Best CFO in the Financial Sector for 2010" by ICAI. He was also honoured with the 'Lifetime Achievement Award' at the sixth edition of the Financial Express CFO Awards 2023. Mr. Rangan is a Director on the Board of Credila Financial Services Limited.
Mr. Navneet Munot	55 years	M.Com., CA, CFA, CAIA, FRM	**Mr. Navneet Munot** is the Managing Director & Chief Executive Officer of the Company with effect from February 16, 2021, and has over 30 years of experience in financial markets. HDFC AMC manages over I9 Lakh Crore of Mutual Fund assets across equity and fixed income funds and serves over 1.5 Crore individual and institutional investors. Mr. Munot is also the Chairman of HDFC International (IFSC) Limited. Mr. Munot is on the Board of Association of Mutual Funds in India (AMFI), and has served as its chairman in the past. Mr. Munot is a member of the Board of the National Institute of Securities Markets (NISM), established by SEBI to enhance capacity and quality standards in the securities markets. He is also on the board of the Bombay Chamber of Commerce and Industry, one of the oldest business chambers in India. A long-standing champion of responsible investing, Mr. Munot chaired SEBI's first Environmental, Social and Governance (ESG) committee in 2022 and has been an advocate for ESG integration in India for over a decade. He was a member of the India-UK Sustainable Finance Forum at FICCI and led its working group on taxonomy.

			Mr. Munot is a member of the Governance Committee for the Corporate Debt Market Development Fund (CDMDF), managed by SBI Funds Management. He is a key member of several committees constituted by the International Financial Services Centres Authority (IFSCA). He is also on the Advisory Committee of SEBI's Investor Protection and Education Fund (IPEF). He was a member of the CSR committee at the Indian Merchant Chamber (IMC). Mr. Munot is a member of the Governance Advisory Council (GAC) of the Indian Cancer Society (ICS), an NGO working since 1962 at the forefront of raising awareness, detecting, curing and supporting cancer patients in India. He is also an advisor to India Karuna Collaborative (IKC), an initiative working to end animal suffering and promote animal welfare. Mr. Munot was Chairperson of CFA Society India and has contributed to several national and international working groups of CFA Institute. He holds a Master's degree in Accountancy and Business Statistics and is a rank-holding Chartered Accountant. He is a CFA Charterholder, a CAIA Charterholder, and has completed the Financial Risk Management (FRM) certification from the Global Association of Risk Professionals. Mr. Munot is a sought-after speaker at leading forums on the economy, financial markets, and leadership. His annual letter, 'Person of the Year', enjoys a wide readership, alongside his many other publications.

DUTIES AND OBLIGATIONS OF THE AMC AND ITS EMPLOYEES

(1) Investment and operational due diligence

(a) The AMC shall ensure that all activities of the AMC adhere to SEBI (MF) Regulations including taking all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any SIF Investment Strategy is not contrary to the

provisions of SEBI (MF) Regulations, circulars/ and guidelines issued thereunder and the trust deed.

(b) The AMC shall exercise due diligence and reasonable care in all investment decisions consistent with the standards of other entities engaged in the same business.

(2) Operational systems and personnel:

Before launching any Investment Strategy, board of directors of the AMC shall ensure that AMC has:

(i) established systems for its back office, dealing room and accounting;

(ii) appointed all key personnel specified by SEBI, including fund managers for the Investment Strategies and submitted their bio-data (including educational qualifications and securities market experience) to the Trustee within 15 calendar days of their appointment;

(iii) appointed auditors for audit of its accounts;

(iv) appointed a compliance officer responsible for monitoring compliance with the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by SEBI or the Central Government and for addressing investors grievances;

(v) appointed a registrar to an issue and share transfer agent registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 and established parameters for their supervision;

(vi) prepared a compliance manual and designed internal control mechanisms including internal audit systems;

(vii) specified norms for the empanelment of brokers and marketing agents; and

(viii) obtained, where required by SEBI (MF) Regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed, in the manner specified by such exchange(s).

(3) Remuneration and Investment:

(a) The AMC 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 SEBI.

(b) The AMC shall invest a percentage of the remuneration of employees in units of SIF Investment Strategies based on the designation or roles, as specified by SEBI.

(c) The AMC shall not invest in any of its Investment Strategy other than as provided in clause (a) unless full disclosure of its intention to invest has been made in the offer documents.

(d) The AMC shall not charge any fees on its own investments in an Investment Strategy of a SIF managed by it.

(4) Responsibility of key personnel and employees:

(a) The Chief Executive Officer (whatever be the designation) of the AMC shall ensure that:

(i) the SIF complies with all the provisions of SEBI (MF) Regulations and related guidelines and circulars;

(ii) investments made by the fund managers are in the interest of the unit holders;

(iii) the overall risk management function of the SIF is comprehensively managed; and

(iv) the AMC has adequate systems in place to ensure adherence to the Code of Conduct for Fund Managers and Dealers (specified in PART - B of the Fourth Schedule of SEBI (MF) Regulations) and any breach of this Code of Conduct shall be immediately brought to the attention of Board of Directors of the AMC and Trustee.

(b) The fund managers (whatever be the designation including chief investment officer) shall ensure:

(i) that funds of Investment Strategy are invested to achieve its objectives, in the interest of unit holders and in compliance with the provisions of SEBI (MF) Regulations and

related guidelines and circulars; and

(ii) adherence to the Code of Conduct for Fund Managers and Dealers (specified in PART - B of the Fourth Schedule of SEBI (MF) Regulations and submit a quarterly self-certification to the Trustee confirming complied or listing exceptions, if any.

(c) The Dealers (whatever be the designation) shall:

i. ensure that orders are executed on the best available terms and in the best interest of all unit holders; and

ii. abide by the Code of Conduct for Fund Managers and Dealers (specified in PART - B of the Fourth Schedule of SEBI (MF) Regulations and submit a quarterly self-certification to the Trustee confirming complied or listing exceptions, if any.

(d) The compliance officer appointed under clause (iv) of sub-regulation (2) of regulation 22 of SEBI (MF) Regulations shall independently and immediately report any observed non-compliance to SEBI.

(e) Employees of AMC shall not render, directly or indirectly any investment advice about any security in the publicly accessible media, whether real-time or non-real-time, unless a disclosure of his interest including long or short position in the said security has been made, while rendering such advice:

Provided that in case of rendering investment advice, he/she shall also disclose the interest of his dependent family members and the employer including their long or short position in the said security, while rendering such advice.

(5) Financial transactions and disclosures:

(a) **Brokerage transactions**

i. The AMC shall ensure that the purchase or sale of securities through any stock broker that is an associate of the sponsor does not, on average, exceed five percent of the aggregate value of securities purchased or sold by the Mutual Fund across all its Schemes and the Investment Strategies.

ii. The AMC may undertake purchase or sale of securities through a stock broker which is not an associate of the sponsor in excess of five percent of the aggregate value of securities transacted by the Mutual Fund across all its across all its Schemes and the Investment Strategies, provided that the justification for exceeding the limit is recorded in writing and reported to the Trustee on a quarterly basis.

Explanation: The limits specified in clauses (i) and (ii) shall apply for each block of three months and shall exclude transactions relating to the sale and distribution of units issued by the Mutual Fund.

(b) Transactions with associates/sponsor:

i. Where an AMC proposes to utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction, distribution and sale of securities, the proposed engagement of such persons shall be disclosed to the unitholders and the brokerage or commission paid shall be disclosed in the half-yearly and annual accounts of the SIF.

ii. The half-yearly and yearly annual accounts disclosure shall include:

a. subscription by the Investment Strategies in the issues lead managed by associate companies; and

b. subscription to any equity or debt issue on a private placement basis where the sponsor or its associate companies acted as arranger or manager.

iii. If the AMC enters into any securities transactions with any of its associates, a report to that effect shall be placed before the Trustee at their next meeting.

(6) Investment concentration disclosure:

If the investment made by any company in an Investment Strategy exceeds five per cent of

the net asset value of the Scheme and Investment Strategy, the investment made by that Investment Strategy or by any other Scheme and Investment Strategy of the same Mutual Fund in that company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed in the half-yearly and annual accounts of the respective Investment Strategies, with justification for such investment, where the cross investment is made within a period of one year before or after the initial investment.

(7) Reporting and oversight

(a) **Quarterly reports to Trustee:**

(i) The AMC shall submit to the Trustee quarterly reports on its activities and the compliance with SEBI (MF) Regulations.

(ii) The board of directors shall ensure that there has been exercise of due diligence on the reports submitted by the AMC to the Trustee.

(b) Director and Key Personnel Disclosures:

(i) The AMC shall file with the Trustee and SEBI:

a. detailed bio-data of all its directors, along with their interest in other companies, within 15 calendar days of their appointment;

b. a half yearly report regarding any change in the interest of directors; and

c. a quarterly report to the Trustee providing details and adequate justification about the purchase and sale of securities of the group companies of the sponsor or the AMC by the mutual fund during that quarter.

(ii) Each director of the AMC shall file with the Trustee the details of their securities transactions on a quarterly basis, in the manner specified by SEBI.

(iii) The AMC shall file with Trustee the details of transactions in securities by its key personnel in their own name or in the name of the AMC, and shall report to SEBI, as required.

(c) Board of Directors' Oversight:

The board of directors of the AMC shall ensure that –

a. the AMC has been diligent in empaneling brokers, monitoring securities transactions with brokers, and avoiding undue concentration of business with specific brokers;

b. the AMC has not given any undue or unfair advantage to any associate or dealt with any associate in any manner detrimental to the interest of unit holders;

c. the transactions entered into by the AMC align with SEBI (MF) Regulations, investment objective and asset allocation of the respective Investment Strategies;

d. SIF transactions align with the provisions of the trust deed;

e. the net worth of the AMC is reviewed quarterly to ensure continuous compliance with the threshold provided in clause (e) of sub-regulation (1) of regulation 5 of SEBI (MF) Regulations;

f. all service contracts, including custody arrangements for assets and transfer agency of securities, are executed in the interest of unit holders and test checks of service contracts are arranged;

g. there is no conflict of interest between the deployment of the asset management company's net worth and the interest of unit holders;

h. investor complaints are periodically reviewed and redressed;

i. all service providers hold appropriate registrations with SEBI or relevant regulatory authority;

j. any special developments in the SIF are immediately reported to the Trustee; and

k. due diligence is exercised on such matters as specified by SEBI.

(8) Ethical Conduct and Investor Protection

(a) **Prevention of misconduct:**

(i) The AMC shall be responsible for acts of commission or omission by its employees or persons whose services have been procured by the AMC, where such act or omission is committed in the course of carrying out functions under SEBI (MF) Regulations, and involves negligence, breach of duty, or failure to comply with applicable law.

(ii) The AMC shall abide by the Code of Conduct specified in PART-A of the Fourth Schedule of SEBI (MF) Regulations.

(b) Market abuse deterrence:

(i) The AMC shall establish, implement and maintain an institutional mechanism (as specified by SEBI), for identifying and deterring potential market abuse, including front-running and fraudulent transactions in securities.

(ii) The Chief Executive Officer or Managing Director (or equivalent or analogous rank) and Chief Compliance Officer of the AMC shall be responsible and accountable for implementing institutional mechanism for deterring potential market abuse, including front-running and fraudulent securities transactions.

(c) Whistleblower policy:

The asset management company shall establish, implement and maintain a documented whistle blower policy that:

a. provides a confidential channel for employees, directors, Trustee, and other stakeholders to raise concerns about suspected fraudulent, unfair or unethical practices, violations of regulatory or legal requirements or governance vulnerability; and

b. establishes procedure to ensure adequate protection of whistle blowers.

(d) Investor grievance and protection:

(i) The AMC shall constitute a Unit Holder Protection Committee in the form and manner and with a mandate as specified by SEBI.

(ii) AMC shall ensure compliance with the Investor Charter specified by SEBI.

(9) Investment Strategy management and valuation:

(a) Registrars and share transfer agents

(i) Registrars and share transfer agents appointed by the AMC shall be registered with SEBI.

(ii) If the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the Investment Strategy and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

(b) Valuation and Disclosure

(i) The AMC shall compute and carry out valuation of investments made by its Investment Strategies in accordance with the investment valuation norms specified in the Seventh Schedule of SEBI (MF) Regulations, and shall publish the same.

(ii) The AMC and the sponsor of the SIF shall be liable to compensate affected investors and/or the Investment Strategy for any unfair treatment to an investor resulting from inappropriate valuation.

(iii) The AMC shall report and disclose all transactions in debt and money market securities, including inter Investment Strategy transfers, as specified by SEBI.

(c) Changes to Investment Strategy attribute:

The AMC shall ensure that no change in the fundamental attributes of any Investment

Strategy, fees and expenses payable or any other change that would modify the Investment Strategy and affect the interest of unit holders, shall be carried out unless,—

(i) written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each unit holder;

(ii) details, as specified by SEBI, are appropriately displayed on the webpage of SIF; and

(iii) unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.

(d) Income calculation:

The AMC shall be responsible for calculating any income due to be paid to the SIF and also any income received in the SIF for the unit holders of any Investment Strategy, in accordance with **SEBI** (MF) Regulations and the trust deed.

(e) Stress testing:

The AMC shall conduct stress testing for such Investment Strategies as specified by SEBI and disclose the results in the form and manner specified by SEBI.

(f) Geographic scope:

The AMC shall not carry out its fund management operations or execution of transactions relating to SIFs, outside the territory of India, except for execution of trades for investment in overseas securities.

(10) Termination and Liability

(a) Termination of assignment of AMC:

The AMC may request Trustee for termination of the assignment of the AMC at any time:

Provided that such termination shall become effective only after the Trustee have accepted the termination of assignment and communicated their decision in writing to the AMC.

(b) Continuing Liability

Notwithstanding any contract, agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the Mutual Fund for their acts of commission or omission, while holding such position or office.

The AMC shall ensure that the SIF has distinct identification, separate from that of the mutual fund, to maintain clear differentiation between the offerings of the SIF and that of a mutual fund.

The AMC shall comply with the provisions relating to branding, advertising, standard disclaimers, guidelines on usage of sponsor or AMC or SIF's brand name and maintenance of a separate website/webpage, as may be specified by the Board from time to time.

The Board of Directors of the Trustee and the Board of Directors of the AMC, including any of their committees, shall meet at such frequency as may be specified by SEBI from time to time.

INFORMATION ON KEY PERSONNEL:

Name	Age	Designation	Educational Qualification	Total No. of years of Experience/ Type & Nature of Past Experience	Assignments held during the last 10 years
Mr. Navneet Munot	54	Managing Director and Chief Executive Officer	M.Com., CA, CFA, CAIA, FRM	Over 32 years of experience in financial services	**February 16, 2021 onwards** HDFC Asset Management Company Limited **December 12, 2008 to February 11, 2021** SBI Funds Management Private Limited Last Position Held - Executive Director and Chief Investment Officer
Mr. Anil Bamboli	54	Head - Fixed Income	B.Com., Grad. CWA, MMS (Finance), CFA (CFA Institute)	Collectively over 32 years of experience in Fund Management and Research, Fixed Income dealing.	**July 25, 2003 onwards** HDFC Asset Management Company Limited
Mr. Chirag Setalvad	52	Head - Equities	B.Sc. in Business Administration - University of North Carolina, Chapel Hill	Collectively over 29 years of experience, of which 20 years in Fund Management and Equity Research and 4 years in investment banking.	**March 19, 2007 onwards** HDFC Asset Management Company Limited
Mr. Naozad Sirwalla	53	Chief Financial Officer	B.Com, ACA, CS	Over 31 years of work experience in financial services sector across functional areas of Finance, Investments, Operations, Risk, Compliance and Law	**December 14, 2021 onwards** HDFC Asset Management Company Limited **January 6, 2021 to November 30, 2021** Lupa Systems Investment Advisers India Private Limited Last Position held - Chief Financial Officer **July 29, 2019 to December 31, 2020** O3 Capital Global Advisory Private Limited Last Position held - Managing Director - Credit Strategies

					November 1, 2013 to July 1, 2019 KKR India Advisors Private Limited Last Position held - Chief Financial Officer
Mr. Sameer Seksaria	55	Head - Operations (w.e.f. October 01, 2026)	B E (Jadavpur University), PGDM (IIM Bangalore), CFA (CFA Institute)	Over 30 years of experience in operations & client services	**December 02, 2021 onwards** HDFC Asset Management Company Limited **April 4, 2017 to December 1, 2021** Franklin Templeton Asset Management (India) Pvt. Ltd. Last Position Held - Director & Head - India TA (Transfer Agency) **September 2, 2014 to April 3, 2017** Aditya Birla Management Corporation Pvt. Ltd. Last Position Held - VP – Corporate Business Excellence
Ms. Supriya Sapre	55	Chief Compliance Officer	B.Com., Chartered Accountant	Collectively over 31 years of experience in the field of Compliance, Legal, Internal and Statutory Audits	**December 2, 2019 onwards** HDFC Asset Management Company Limited **September 6, 2006 till October 29, 2019** ICICI Prudential Asset Management Company Limited Last Position Held - Head - Compliance.
Ms. Sonali Nitin Chandak	50	Company Secretary & Head - Legal	Company Secretary from the Institute of Company Secretaries of India, Bachelor of Commerce from Mumbai University	Over 26 years of experience in Compliance, Legal, Risk Management, and Corporate Secretarial area in financial services sector	**June 05, 2024 onwards** HDFC Asset Management Company Limited **February 2021 to May 2024** ICICI Prudential Life Insurance Company Ltd. Last position held: Company Secretary **April 2018 to February 2021** ICICI Securities Ltd. Last position held: Head - Compliance & Legal

					October 2007 to April 2018 Morgan Stanley Investment Management Pvt. Ltd. Last position held: Executive Director
Mr. Alok Sheopurkar	57	Head - Human Resources	B.Com., M.P.M. & IR LL.B.	Collectively over 35 years of experience in various facets of Human Resources, Business Management and CSR	**May 5, 2006 onwards** HDFC Asset Management Company Limited
Mr. Rajiv Maniar	54	Head - Sales & Distribution	B.E. (Mechanical) (Mumbai University), M.M.S. (Finance) (Mumbai University)	Collectively over 31 years of experience in Product Management, Sales, Distribution and Advisory of mutual fund products to retail and institutional channels	**June 26, 2008 onwards** HDFC Asset Management Company Limited
Mr. Simal Kanuga	52	Head – PMS Sales, New Initiatives, Product Development, International Business and Chief Investor Relations Officer (AMC)	B.Com, ACA, Grad CWA	Collectively over 28 years experience in PMS, Mutual Fund, Wealth Management and AIF	**October 1, 2004 onwards** HDFC Asset Management Company Limited
Mr. Harish Narayanan	43	Chief Digital and Marketing Officer	BE (Computer Engineering), Mumbai University, PGDM (MBA), IIM Lucknow.	18 years of experience in marketing, growth, revenue, leadership/ CXO	**June 03, 2024 onwards** HDFC Asset Management Company Limited **April 2023 to May 2024** Independent Consultant Last position held: Startup Growth Advisor/Mentor **February 02, 2022 to March 31, 2023** RKSV Securities India Pvt. Ltd. Last position held: Chief Growth Officer **June 03, 2019 to February 06, 2022**

					Myntra Designs Pvt. Ltd. Last position held: Chief Marketing Officer **August 05, 2013 to May 20, 2019** Google Asia Pacific Pvt Ltd Last position held: Senior Product Marketing Manager
Mr. Krantikumar Sherkhane	46	Chief Information Security Officer (CISO)	Master of Information Management (MIM), BSc (Tech) Computer Engineering – Mumbai University	Over 21 years of experience in Information and Cyber Security	**November 19, 2019 onwards** HDFC Asset Management Company Limited **April 27, 2017 to November 18, 2019** Aditya Birla Health Insurance Co. Ltd. Last Position Held: CISO **June 18, 2012 to April 20, 2017** Vodafone India Limited Last Position Held: AGM – Security Operations (Corp)
Dr. Leena Vijayvargiy	49	Chief Risk Officer	PhD (Finance), IIT Bombay; Master in International Business, Devi Ahilya University, Indore; B.A (Mgmt), Barkatullah University, Bhopal	Over 18 years of experience in Risk Management	**March 15, 2022 onwards** HDFC Asset Management Company Limited **January 22, 2018 to March 11, 2022** BNP Paribas Asset Management India Pvt. Ltd. Last Position Held: Head - Risk Management **April 15, 2008 to January 15, 2018** SBI Funds Management Pvt. Ltd. Last position held: AVP - Risk

INVESTMENT TEAM:

In addition to Mr. Anil Bamboli - "**Head - Fixed Income**" and Mr. Chirag Setalvad - "**Head - Equities**", the Investment Team comprises**:**

Name	Age	Designation	Educational Qualification	Total No. of years of Experience/ Type & Nature of Past Experience	Assignments held during the last 10 years
Mr. Anupam Joshi	47	Co - Head - Fixed Income	PGDBM Finance from Chetana's Institute of Management & Research	Collectively over 25 years of experience, in fund management, research and dealing	**October 2015 onwards** HDFC Asset Management Company Limited
Mr. Praveen Jain	43	Fund Manager and Senior Credit Analyst - Fixed Income	B.Com. (Hons.), Chartered Accountant, CFA (CFA Institute)	Collectively around 21 years of experience in Fund Management, Credit Research and Dealing.	**September 26, 2007 onwards** HDFC Asset Management Company Limited
Mr. Bhagyesh Kagalkar	58	Senior Equity Analyst and Fund Manager	B.E. (Production), MMS (Finance) - Mumbai University, General Management Program (GMP) - Harvard Business School	Collectively over 32 years of experience in Equity Research, investments and Finance	**January 3, 2007 onwards** HDFC Asset Management Company Limited
Mr. Anand Laddha	46	Fund Manager - Equities & Senior Equity Analyst	B.Com., Chartered Accountant (ICAI)	Collectively over 23 years of experience in Derivative & Equity Research and Fund Management	**February 2006 onwards** HDFC Asset Management Company Limited
Mr. Rahul Baijal	52	Senior Fund Manager - Equities	PGDM (MBA) (IIM - Calcutta), B.E. (Delhi College of Engineering)	Collectively Over 26 Years of experience in Fund Management and Equity Research	**July 11, 2022 onwards** HDFC Asset Management Company Limited **July 1, 2016 to June 28, 2022** Sundaram Asset Management Company Limited Last Position Held: Senior Fund Manager - Equity

Mr. Arun Agarwal	53	Fund Manager and Dealer - Equities	B.Com., Chartered Accountant	Collectively over 28 years of experience in equity, debt and derivative dealing, fund management, internal audit and treasury operations.	**September 16, 2010 onwards** HDFC Asset Management Company Limited
Mr. Dhruv Muchhal	38	Equity Analyst and Fund Manager for Overseas Investments	CFA (CFA Institute); Chartered Accountant, B Com. from University of Mumbai	Collectively over 15 years in equity research	**October 3, 2019 onwards** HDFC Asset Management Company Limited **August 27, 2014 to September 27, 2019** Motilal Oswal Financial Services Limited Last Position Held - Associate Vice President - Research
Mr. Balakumar B	38	Fund Manager and Senior Equity Analyst	B.Tech (IT – Coimbatore Institute of Technology), PGDM (IIM Calcutta), CFA (USA)	Over 17 years of experience in equity research, consulting, application development	**September 3, 2021 onwards** HDFC Asset Management Company Limited **May 11, 2020 to August 20, 2021** Sanford C. Bernstein (India) Private Ltd. Last Position Held - Assistant Vice President **April 1, 2019 to May 10, 2020** UBS Business Solutions (India) Pvt. Ltd. Last Position Held - Associate Director **November 16, 2015 to March 29, 2019** Cognizant Technology Solutions India Private Ltd. Last Position Held - Research Manager
Mr. Nikhil Mathur	38	Fund Manager and Senior Equity Analyst	PGDM - IMT, Ghaziabad, B.E. (Civil) - PEC, Chandigarh, CFA (USA) level 3 cleared	Collectively over 16 years experience in out of which 8 years in securities market.	**September 22, 2021 onwards** HDFC Asset Management Company Limited **July 26, 2017 to September 21, 2021** Ambit Capital India Pvt Ltd. Last Position Held: Vice President

					August 31, 2015 to July 25, 2017 Goldman Sachs (India) Securities Pvt Ltd. Last Position Held - Research Business Analyst
Ms. Nandita Menezes	30	Fund Manager and Dealer – Equities	CA (ICAI, INDIA), B.Com (University of Mumbai)	Over 4 years of experience in Equity Dealing	**December 29, 2021 onwards** HDFC Asset Management Company Limited **April 26, 2020 to March 5, 2021** S.R. Batliboi & Co LLP Last Position Held: Executive - Assurance
Mr. Swapnil Jangam	39	Fund Manager and Dealer - Fixed Income	B.Com., Chartered Accountant, CFA (CFA Institute, USA)	Collectively around 16 years experience in dealing in fixed income products, debt investment operations, cashflow management and statutory audit of companies in financial sector. Designated as Manger - Dealing and Investments since October 24, 2016.	**September 2012 onwards** HDFC Asset Management Company Limited **July 2010 to April 2012** S.V. Ghatalia & Associates LLP Last Position Held - Executive
Mr. Bhavyesh Divecha	43	Fund Manager and Credit Analyst - Fixed Income	CFA - L3 (CFA Institute, USA), PGDM (IIM – Ahmedabad), B.E. Computers, (Mumbai University)	Collectively around 19 years experience, of which 16 years are in credit risk analysis and investment research.	**February 6, 2017 onwards** HDFC Asset Management Company Limited **April 1, 2014 to February 2, 2017** L&T Investment Management Limited Last Position Held - Credit Analyst
Mr. Sankalp Baid	44	Co-Fund Manager and Backup Dealer - Fixed Income	PG Diploma in Business Management from XLRI, Jamshedpur, Chartered Accountant, B.Com Hons. (University of Calcutta)	Collectively around 19 years of experience in macroeconomics, credit analysis, trading, dealing and audit.	**February 27, 2017 onwards** HDFC Asset Management Company Limited **February 16, 2015 to February 3, 2017** BNP Paribas Bank Last Position Held - Assistant Vice President

Mr. Abhishek Mor	30	Fund Manager and Dealer - Equities	CFA Level-I, Chartered Accountant, Bachelor of Commerce	Over 8 years of experience in Equity Dealing	**November 15, 2022 onwards** HDFC Asset Management Company Limited **October 04, 2017 till November 11, 2022** ICICI Asset Management Company Limited Last Position Held: Manager - Dealing Support
Mr. Rakesh Sethia	44	Fund Manager and Senior Equity Analyst	CFA, FRM, MBA, BBM	Over 19 years of experience in equity research	**26th May 2020 onwards** HDFC Asset Management Company Limited **24th May 2018 - 25th May 2020** HSBC Securities & Capital Markets India Ltd. Last Position held: Associate Director **4th June 2007 to 21st May 2018** Morgan Stanley India Co. Pvt Ltd. Last Position held: Equity Research Analyst
Mr. Monish Ghodke	32	Chief Manager - Investment Process control, Equity Dealer (Back-up) & Equity Analyst	B. Com (University of Mumbai), Chartered Accountant, Passed CFA Level III	Collectively over 10 years of experience in equity research & Product Strategy	**July 1, 2019 onwards** HDFC Asset Management Company Limited Manager - Investment Process control & Equity Dealer (Back-up) **March 2016 to June 30, 2019** Last Position held: Manager - Products & Business Development
Mr. Gopal Agrawal	53	Senior Fund Manager – Equities	B.E., MBM	Over 21 years in Fund Management and 2 years in Equity Research	**July 9, 2020 onwards** HDFC Asset Management Company Limited **July 23, 2018 to June 30, 2020** DSP Investment Managers Private Ltd. Last Position Held - Senior Fund Manager and Head-Macro strategy **April 03, 2017 to July 16, 2018** TATA Asset Management Company Ltd. Last Position Held - CIO-Equity **October 01, 2007 to March**

					31, 2017 Mirae Asset Global Investments (India) Pvt. Ltd. Last Position Held - CIO-Equity and Chief Strategist
Mr. Amit Sinha	45	Fund Manager and Senior Equity Analyst	PGDBM (XLRI, Jamshedpur), B.Tech (Mechanical) from IIT Roorkee	Over 18 years of experience in equity research	**August 19, 2020 onwards** HDFC Asset Management Company Limited **February 15, 2010 to August 14, 2020** Macquarie Capital Securities (India) Pvt. Ltd. Last Position Held - Senior Research Analyst
Mr. Priya Ranjan	50	Fund Manager and Senior Equity Analyst	PGDBM (Finance) from Chetana's Institute of Management & Research, Mumbai, BE (Computer Science) from Magadh University	Over 18 years of experience in equity research	**November 17, 2020 onwards** HDFC Asset Management Company Limited **June 4, 2018 to November 13, 2020** Antique Stock Broking Limited Last Position Held - Vice President **May 8, 2015 to May 31, 2018** Systematix Shares & Stocks (I) Ltd. Last Position Held - Sr. Vice President
Mr. Mohit Surana	35	Equity Analyst	B. Tech. - IIT (BHU), Varanasi, PGDM - IIM Indore	12 years, of which more than 10 years in financial research	**September 28, 2023 onwards** HDFC Asset Management Company Limited **April 22, 2019 to September 27, 2023** CLSA India Private Limited Last position held: Research Analyst **August 3, 2018 to April 9, 2019** IIFL Securities Limited Last position held: Associate **October 3, 2017 to August 2, 2018** BNP Paribas Last position held: Analyst - Coverage and Territories Credit Management **April 18, 2016 to**

					September 29, 2017 J.P. Morgan Services India Private Limited Last position held: CIB Analyst 2016 CAU
Ms. Aashna Manaktala	34	Equity Analyst	B. Tech. - NIT Jalandhar, MBA - NMIMS, Mumbai	8 years of which 6 years in financial research	**January 23, 2024 onwards** HDFC Asset Management Company Limited **March 14, 2023 to January 19, 2024** Bajaj Allianz Life Insurance Company Ltd. Last position held: Senior Manager – Research **August 11, 2021 to March 8, 2023** ICICI Securities Ltd. Last position held: Senior Equity Associate **June 5, 2018 to August 10, 2021** NAVI Asset Management Company Ltd. Last position held: Research Associate **September 16, 2013 to September 18, 2015** Capgemini India Pvt. Ltd. Last position held: Senior Software Engineer
Mr. Ashish Shah	46	Fund Manager and Senior equity Analyst	MMS (Finance) - University of Mumbai, BE - University of Mumbai	Over 20 years of experience in Equity Research covering sectors like Automobiles, Telecom, Infrastructure, Aviation and Industrials	**February 05, 2024 onwards** HDFC Asset Management Company Limited **May 2, 2023 to February 1, 2024** JM Financial Institutional Securities Limited Last position held: Director **April 24, 2019 to April 28, 2023** Centrum Broking Limited Last position held: Sr. Vice President **January 2, 2006 to April 15, 2019** IDFC Securities Limited Last position held: Director
Mr. Nitin Singh	33	Senior Manager - Investments (Fixed	B.Tech. (Electrical) - VJTI, Mumbai,	8 years of Experience in Treasury covering areas like Trade	**April 25, 2024 onwards** HDFC Asset Management Company Limited

		Income - Dealer)	MBA (Finance), Jamnalal Bajaj Institute of Management Studies, Mumbai	Finance, Front Office Investments team (handling G-Sec, SDL, Corporate Bonds, OIS, Repos and covering Macroeconomics)	**June 2018 to April 2024** Reliance Industries Limited Last position held: Senior Manager **November 2015 to June 2016** State Bank of India Last position held: Probationary Officer
Mr. Prasad Galgale	26	Manager - Investments Process Control, Equity Dealer (Backup)	Chartered Accountant (ICAI), B.Com (Shivaji University)	Collectively 3 years and 9 months of experience in Audit and Assurance, Mutual Fund Operations and Investments	**June 2024 to December 2024 onwards** HDFC Asset Management Company Limited Last Position held: Manager – Investments Process Control (upto December 2024) **October 2023 to May 2024** Last Position held: Manager – Operation **September 2022 to September 2023** Rao and Emmar (CA Firm) Last position held: Manager
Mr. Sumit Shekhar	38	Economist	M.Sc. (Economics), IGIDR, Mumbai	13 years in financial services research	**January 20, 2025 onwards** HDFC Asset Management Company Limited **July 07, 2014 to December 30, 2024** Ambit Capital Pvt. Ltd. Last position held: Economist (Vice President)
Mr. Rohan Pillai	33	Fund Manager and Dealer - Fixed Income	Masters in Finance, Jamnalal Bajaj Institute of Management Studies, Bachelor of Engineering University of Mumbai	9 years in Fixed Income dealing, Credit Research, Credit Structuring, Debt Capital Markets	**February 11, 2025 onwards** HDFC Asset Management Company Limited **June 1, 2021 to February 10, 2025** SBI Funds Management Ltd. Last position held: Dealer - Fixed Income (Senior Manager) **May 24, 2017 to May 28, 2021** ICICI Bank Ltd. Last position held: Manager **February 02, 2014 to July 31, 2014** Jain Irrigation Systems Ltd. Last position held: Sales Engineer
Mr. Karan Bhuwania	30	Equity Analyst	PGDM (MBA), IIM Lucknow, B.Com (H),	Over 7 years in Equity Research	**June 02, 2025 onwards** HDFC Asset Management Company Limited **May 06, 2019 to May 26, 2025** ICICI Securities Last position held: Assistant

			Shri Ram College of Commerce		Vice President (Equity Research Analyst) **September 19, 2016 to May 04, 2017** Northern Trust Operating Services Last position held: Analyst (Audit)
Mr. Kapil Achuthan Menon	43	Equity Dealer	B Com - University of Mumbai	Collectively over 20 years of experience of which nearly 6 years in Equity Dealing, 13 years in Investment support and 2 years in Financial Sector Ratings.	**July 22, 2025 onwards** HDFC Asset Management Company Limited **September 1, 2006 to July 18, 2025** Tata Asset Management Limited Last position held: Dealer and Fund Manager - Passives (Assistant Vice President - Investments)
Mr. Amar Kalkundrikar	46	Fund Manager - Equities	Chartered Accountant (ICAI), CFA (CFA Institute, Charlottesville, VA), MBA (Joint Program from London and Columbia Business School)	Collectively over 24 years of experience of which nearly 21 years in Fund Management, Equity Research and Portfolio Management	**August 28, 2025 onwards** HDFC Asset Management Company Limited **September 21, 2020 to August 14, 2025** Nippon Life India Asset Management Company Ltd, Last position held: Fund Manager – Equity **March 31, 2002 to September 04, 2020** HDFC Asset Management Company Limited, Last position held: Portfolio Manager - Client Funds
Mr. Anupam Gupta	44	Senior Equity Analyst	B.E. in Mechanical Engineering (NIT, Bhopal) PGDBM (IIM Lucknow) CFA (CFA Institute)	Collectively over 20 years of experience of which 19 years is in equity research.	**September 23, 2025 onwards** HDFC Asset Management Company Limited **August 16, 2007 to September 15, 2025** IIFL Capital Ltd Last position held: Vice President - Research
Mr. Amit Ganatra	45	Senior Fund Manager – Equities (w.e.f. February 1, 2026)	Chartered Accountant (ICAI), CFA (CFA Institute, USA) M.Com	Collectively 23 years of experience of which 22 years of experience in Fund Management and Equity Research	**January 28, 2026 onwards:** HDFC Asset Management Company Limited **January 17, 2022 to January 27, 2026** Invesco India Asset Management Last position held: Director & Head – Equities

					May 19, 2020 to January 14, 2022 HDFC Asset Management Company Limited Last position held: Senior Fund Manager – Equity **January 2, 2007 to May 18, 2020** Invesco Asset Management (India) Private Limited Last Position Held: Fund Manager - Equity
Mr. Aman Singhania	41	Member of Investment Team – Passive Strategies	MBA (Finance) - N.L. Dalmia Institute, CFA (CFA Institute, USA), FRM (GARP, USA)	Collectively over 19 years of experience in Index & Product Development, Passive fund strategies, Funds & Investment Risk analytics.	**February 18, 2026 onwards** HDFC Asset Management Company Limited **March 01, 2023 to February 16, 2026** NSE Indices Ltd Last position held: Senior Vice President & Head Products - Index & Analytics **September 07, 2016 to February 28, 2023** NSE India Ltd Last position held: Vice President & Head – Products
Ms. Aashita Jain	30	Equity Analyst	Chartered Accountant (ICAI) CFA (CFA Institute, USA) Level 3 cleared	Collectively over 7 years in Equity Research	**February 18, 2026 onwards** HDFC Asset Management Company Limited **September 24, 2018 to February 17, 2026** Nuvama Wealth Management Limited Last position held: Vice President (Equity Research Analyst)
Mr. Apoorva Jindal	37	Credit Analyst – Fixed Income	CA (Institute of Chartered Accountants of India) CFA – Level 3 Cleared (CFA Institute, USA) B.Com (Mumbai University)	Collectively around 14 years of experience, of which around 11 years are in credit analysis	**May 11, 2026 onwards** HDFC Asset Management Company Limited **April 1, 2026 to May 10, 2026** Position held: Credit Analyst - Fixed Income – PMS **November 30, 2016 to March 18, 2026** ICICI Prudential Asset Management Company Limited Last position held: Associate Vice President - Risk Management

Paul S Parampreet	43	Member of Investment Team (Equity)	• PGDM (IIM, Calcutta) • B.Tech (Honours) in Electric Engineering (IIT, Kharagpur)	Collectively over 19 years of experience in Portfolio Management and Research	**July 07, 2026 onwards** HDFC Asset Management Company Limited **May 13, 2024 to May 29, 2026** ICICI Prudential Asset Management Company Limited Last position held: Senior Fund Manager - AIF **November 27, 2017 to April 25, 2024** Franklin Templeton Investment Management Limited Last position held: Client Portfolio Manager **November 01, 2007 to November 03, 2017** Edelweiss Investment Adviser Limited Last position held: Associate Director
Ihab Dalwai	39	Senior Fund Manager – Equities	• Chartered Accountant (ICAI) • CFA level 3 cleared (CFA Institute, USA) • B.Com	15 years of experience as equity research analyst and equity fund manager	**September 07, 2026 onwards** HDFC Asset Management Company Limited **April 04, 2011 to September 04, 2026** ICICI Prudential Asset Management Company Ltd Last position held: Senior Fund Manager - Equity

III. SERVICE PROVIDERS

1. CUSTODIANS

i. ICICI Bank Limited

Landmark, Race Course Circle,
Vadodara, Gujarat, 390007
SEBI Registration No. IN/CUS/005

ii. The Hongkong and Shanghai Banking Corporation Limited

1, Queen's Road Central, Hong Kong.
Custody Office - 11th Floor, Building No. 3,
NESCO-IT Park, NESCO Complex,
Off. Western Express Highway, Goregaon (East),
Mumbai – 400063.
SEBI Registration No. IN/CUS/009

2. REGISTRAR AND TRANSFER AGENT

Computer Age Management Services Limited (unit: H-SIF)
Rayala Towers, 6th Floor, Tower 1, 158, Anna Salai, Chennai - 600002.
SEBI Registration No: INR000002813

The Board of Trustees and the AMC have ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications within the time limit prescribed in the SEBI (MF) Regulations and also has sufficient capacity to handle investor complaints.

3. STATUTORY AUDITOR

S.R. Batliboi & Co. LLP – Chartered Accountants
The Ruby, 12th Floor, 29, Senapati Bapat Marg,
Dadar (W), Mumbai – 400 028,
Maharashtra, India.

4. LEGAL COUNSEL

Services of various legal advisors/counsels are obtained as and when required.

5. FUND ACCOUNTANT

Fund accounting is handled by the AMC.

6. COLLECTING BANKERS

Name of Bank	Registered Office Address	SEBI Registration Number
HDFC Bank Limited	HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013	INBI00000063

IV. CONDENSED FINANCIAL INFORMATION (CFI)

HISTORICAL PER UNIT STATISTICS	NAME OF THE INVESTMENT STRATEGY		
	YR. 1	YR. 2	YR. 3

NAV (Net Asset Value) at the beginning of the year (as on April 1)	Not Applicable as no investment strategy under SIF is launched
IDCW*	
NAV at the end of the year (as on March 31)	
Annualised return**	
Net Assets at the end of period (Rs. Crs.)	
Ratio of Recurring Expenses to net assets	

** Excluding IDCW details of investment strategy.*

*** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for Investment strategies less than one year.*

V. RISK FACTORS

1. STANDARD RISK FACTORS

a. Standard Risk Factors for investments in SIF:

- Investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility and there is no assurance or guarantee that the objectives of the investment strategies will be achieved.
- Investment in strategies under SIF are subject to market and other risks and there can be no guarantee against loss resulting from investing in such strategies. The past performance of the investment strategies under SIF do not guarantee any returns or future performance. The various factors which impact the value of the investments include, but are not limited to, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes, investment risks such as trading volumes, settlement risks, liquidity risks, default risks, including the possible loss of principal etc involve.
- 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 depending on the various factors and forces affecting the capital markets and money markets.
- Past performance of the Sponsor and its associates/ AMC/Mutual Fund does not guarantee future performance of the Investment Strategy of the Mutual Fund.
- The name of the Investment Strategy does not in any manner indicate either the quality of the Investment Strategy or their future prospects and returns.

- The Sponsor is not responsible or liable for any loss resulting from the operation of the Investment Strategy beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund.
- The present Investment Strategies are not guaranteed or assured return Investment Strategies.

b. Risks associated with different derivative strategies including derivative strategies as applicable for the SIF.

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 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.

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.

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.

c. Other risk factors

a) Risks specific to certain derivative strategies are highlighted below:

i. Risk Factors of SWAP/Forward Rate Agreement (FRAs)/Interest Rate Futures (IRFs)

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.

Market Risk: Market movements may adversely affect the pricing and settlement of derivatives.

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.

ii. Basis Risk associated with imperfect hedging using Interest Rate Futures (IRF):

The imperfect correlation between the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio leads to basis risk. Thus, the loss on the portfolio may not exactly match the gain from the hedge position entered using the IRF.

iii. Risk pertaining to covered call strategy: Incorrectly pricing the option premium before writing the covered call by ignoring factors which determine pricing like number of days to expiry, adjustment with respect to announced corporate actions like dividend etc.

iv. Risk pertaining to Basic Structure of an Index Future:

Risks associated with index future strategy:

- The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The long position will have as much loss/gain as in the Underlying Index. e.g. if the index appreciates by 10%, the index future value rises by 10%. However, this is true only for futures

contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain/loss due to the movement of the Underlying Index. This is called the basis risk.

- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Investment Strategy to purchase or close out a specific futures contract.

v. Risk pertaining to strategy of Downside Protection Using Stock Put:

- There can be no assurance that ready liquidity would exist at all points in time, for the Investment Strategy to purchase or close out a specific options contract.
- A hedging strategy using Put Options is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option.

vi. Risk pertaining to using Call option on Index to increase percentage investment in equities:

- The strategy of taking a long position in index call option increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The risk/downside, if the market falls/remains flat is only limited to the option premium paid.
- The long position will have as much loss/gain as in the Underlying Index. For e.g. if the index appreciates by 10%, the index options value rises by 10%. However, this is true only for options held till maturity.
- While option markets are typically less liquid than the underlying cash market, hence there can be no assurance that ready liquidity would exist at all points in time, for the Investment Strategy to purchase or close out a specific contract.

vii. Risk pertaining to using Put option on Index to minimize downside in equities.

- The strategy of taking a long position in index put option hedges a portfolio of long only stocks/funds against potential markets falls. The long position in the put option is negatively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The risk/downside, if the index remains above the strike price is only limited to the option premium paid. The premium paid is the maximum downside to the portfolio. There is positive return in the put strategy only if the index falls below the strike price.
- The long position will have as much loss/gain as the reverse of the Underlying Index. For e.g. if the index depreciates by 10%, the index options value rises by 10%. However, this is true only for options held till maturity.
- While option markets are typically less liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Investment Strategy to purchase or close out a specific contract.

viii. Risks from Short Exposure (Unhedged Derivative Positions)

- Use of unhedged derivative positions to generate short exposure (up to limits permitted under SEBI Master Circular) introduces risks of amplified losses if markets move contrary to expectations, since the downside can be greater than the initial premium or margin posted.
- Short exposures may result in potentially unlimited loss, as adverse price movements in the underlying instruments are theoretically uncapped.

b) Risk factors associated with processing of transaction through Stock Exchange Mechanism

The trading mechanism introduced by the Stock Exchange(s) is configured to accept and process transactions for mutual fund Units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised Stock Exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. Moreover, transactions conducted through the Stock Exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized Stock Exchange(s).

i. Liquidity Risk Management:

Liquidity Risk: Liquidity risk is the risk of not being able to sell/liquidate a security at short notice at prevailing market prices or without incurring impact cost. While government bonds, money market instruments and shorter maturity instruments are generally easier to sell, corporate bonds and other instruments typically face higher liquidity risk. Further, higher rated securities normally are more liquid compared to lower rated securities. As a result, different portfolios will face different levels of liquidity risk based on the underlying portfolio composition. Some of the strategies to reduce liquidity risk are creating portfolios that are diversified across maturities, ratings, types of securities, etc. in line with the fund objectives, regulations and investment strategy.

2. SPECIAL CONSIDERATIONS

The information set out in the Investment Strategy Information Documents (ISIDs) and Statement of Additional Information (SAI) are for general purposes only and do not constitute tax or legal advice. The tax information provided in the ISIDs/SAI does not purport to be a complete description of all potential tax costs, incidence and risks inherent in subscribing to the Units of Investment Strategy offered by H-SIF. Investors should be aware that the fiscal rules/tax laws may change and there can be no guarantee that the current tax position as laid out herein may continue indefinitely. The applicability of tax laws, if any, on HDFC Mutual Fund / Investment Strategy /investments made by the Investment Strategy and/or investors and/or income attributable to or distributions or other payments made to Unitholders are based on the understanding of the prevailing tax legislations and are subject to adverse interpretations adopted by the relevant authorities resulting in tax liability being imposed on the HDFC Mutual Fund / Investment Strategy /Unitholders/Trustee/AMC.

In view of the individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor to determine possible legal, tax, financial or other considerations for subscribing and/or redeeming the Units and/or before making a decision to invest/redeem Units. The tax information contained in ISIDs/SAI alone may not be sufficient and should not be used for the development or implementation of an investment strategy or construed as investment advice. Investors alone shall be fully responsible/liable for any investment decision taken on the basis of this document. Neither the SIF nor the AMC nor any person connected with it accepts any liability arising from the use of this information.

- The Trustee, AMC, SIF, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Investment Strategies are wound up for the reasons and in the manner provided in SAI.
- Redemption by the Unit holder either due to change in the fundamental attributes of the Investment Strategy or due to any other reasons may entail tax consequences. The Trustee, AMC, SIF, their directors or their employees shall not be liable for any such tax consequences that may arise.
- Subject to SEBI (Mutual Funds) Regulations, 2026 in the event of substantial investment by the Sponsor and its associates directly or indirectly in the Investment Strategy of the SIF, Redemption of Units by these entities may have an adverse impact on the performance of the

Investment Strategy because of the timing of any such Redemptions and this may also impact the ability of other Unit holders to redeem their Units.

- The Investment Strategy has not been registered in any jurisdiction. The Investment Strategy may however in future be registered in any jurisdiction, as and when the AMC/Trustee desires. The distribution of the ISIDs in certain jurisdictions may be restricted or totally prohibited due to registration or other requirements and accordingly, persons who come in possession of the ISIDs are required to inform themselves about and observe any such restrictions and/ or legal, compliance requirements with respect to their eligibility for investment in the Units of the Investment Strategy. Any person receiving a copy of the ISIDs, SAI or any accompanying application form in such jurisdiction should not treat the ISIDs, SAI or such application form as constituting an invitation to them to subscribe for Units. Such persons should in no event use any such application form unless in the relevant jurisdiction such an invitation to subscribe could lawfully be made to them and such application form could lawfully be used without complying with any registration or other legal requirements by the AMC/Mutual Fund/Trustee.
- Any dispute arising out of the Investment Strategy shall be subject to the non-exclusive jurisdiction of the Courts in India. Statements in the ISIDs are, except where otherwise stated, based on the law, practice currently in force in India and are subject to changes therein.
- Investors are advised to rely upon only such information and/or representations as contained in the ISIDs. Any subscription or redemption made by any person on the basis of statements or representations which are not contained in the ISIDs or which are inconsistent with the information contained herein shall be solely at the risk of the Investor. The Investor is required to confirm the credentials of the individual/firm he/she is entrusting his/her application form along with payment instructions for any transaction in the Investment Strategy. The Mutual Fund/Trustee/AMC shall not be responsible for any acts done by the intermediaries representing or purportedly representing such Investor.
- The AMC and/or its Registrars & Transfer Agent (RTA) reserve the right to disclose/share Unit holder's details of folio(s) and transaction details thereunder with the following third parties:
  a) RTA, Banks and/or authorised external third parties who are involved in transaction processing, despatching etc., of the Unitholder's investment in the Investment Strategy;
  b) Distributors or sub-brokers through whom the applications are received for the Investment Strategy;
  c) Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of the Unitholders for complying with anti money laundering requirements.
- Investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility, and the Investors should review/study the ISIDs, the SAI and the addenda thereto issued from time to time carefully in its entirety before investing and should not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation or financial/investment matters. There can be no assurance or guarantee that the Investment Strategy objectives will be achieved. The investment decisions made by the AMC/Fund Manager may not always be profitable.
- In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/ circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification i.e. Know Your Customer programme, verify and maintain the record of identity and address(es) of investors.

  The need to Know Your Customer (KYC) is vital for the prevention of money laundering. The Trustee/AMC may seek information or obtain and retain documentation used to establish identity and verify the same. It may obtain any missing or additional information wherever required. The AMC may reject any application or prevent further transactions by a unitholder, if after due diligence, the Investor/Unit holder/a person making the payment on behalf of the investor does not fulfill the requirements of the Know Your Customer (KYC).

If after due diligence the AMC has reason to believe that any transaction is suspicious in nature as regards money laundering, the AMC shall report such transactions to FIU-IND with all the relevant information and submit the information in the prescribed formats.
As per clause 15.16 of Master Circular, in order to strengthen the Know Your Client (KYC) norms and identify every participant in the securities market with their respective Permanent Account Number (PAN) thereby ensuring sound audit trail of all the transactions, PAN shall be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transactions (except for specifically exempted cases). Exempted investors are required to provide alternate proof of identity in lieu of PAN for KYC purposes **Mandatory furnishing of PAN and failure consequences:** Valid PAN and KYC is mandatory for all financial transactions including non investor initiated. If not furnished, then from April 1, 2023, the impact on non-investor initiated transactions such as IDCW reinvestment/payout shall be moved to unclaimed account.

- **Mandatory linking of PAN and Aadhaar and failure consequences**: Currently, as per Section 262 of the Income Tax Act, 2025, every person who has been allotted a PAN as on July 1, 2017, and who is eligible to obtain an Aadhaar number, shall have to mandatorily link their Aadhaar and PAN, failing which the PAN will be inoperative thereby attracting higher TDS and transaction restrictions.

  Note: Presently, Aadhaar-PAN linking does not apply to any individual who is (a) residing in the States of Assam, Meghalaya, Union Territory of Jammu and Kashmir; (b) a non-resident as per the Income Tax Act, 2025 (NRI as per Income Tax records); or (c) of the age of eighty years or more at any time during the previous year; or (d) not a citizen of India. However, these exemptions may change or be revoked later.

VI. HOW TO APPLY

The manner in which the units of the Investment Strategy being offered under the Investment Strategy information documents of the Investment Strategies of H-SIF may be purchased by the prospective investor is stated below:

1. New investors can purchase units of the respective Investment Strategies/Plans by using an application form, whereas, existing Unit holders may use transaction slip or application form. Application forms or transaction slips will be available at the Investor Service Centers (ISCs)/Official Points of Acceptance (OPAs) of transactions during business hours on business days. The same can also be downloaded from the webpage of SIF viz. hsif.hdfcfund.com

2. Application Form should be completed in English and in BLOCK LETTERS only.

3. Signatures should be in English or in any Indian Language. In case of joint holdings, all joint holders are required to sign. Applications on behalf of minors should be signed by their Guardian. In case of a HUF, the Karta should sign the application form on behalf of the HUF. Investor who cannot sign and in case required to provide a thumb impression will have to contact the AMC for the additional documentation/information required.

   For investments through Constituted Attorney, the Power of Attorney (PoA) has to be signed by the Applicant and Constituted Attorney. The signature in the Application Form needs to clearly indicate that the signature is on behalf of the applicant by the Constituted Attorney. The copy of the PoA has to be notarized and has to be provided along with the application.

4. The duly completed application form/transaction slip as the case maybe, can be submitted at the designated ISCs/OPAs. OPAs include various Distributors, Registered Investment Advisers (RIAs), Portfolio Managers, Execution only Platforms (EOPs), Stock Exchange Platforms and

other transaction platforms with whom AMC has entered into tie up to accept transactions from their customers. The personnel at the OPA of transaction will time stamp, and return the acknowledgement slip in the application form. The application shall be subject to verification. For details on updated list of ISCs/Official Points of Acceptance, investors may log on to 'Contact Us' section on our webpage. hsif.hdfcfund.com

5. Investors are required to ensure that AMFI Registration Number (ARN) & Employee Unique Identification Number (EUIN) is correctly filled up in the application form for investments routed through the distributor (ARN holder). EUIN, particularly in advisory transactions, would assist in addressing any instance of mis-selling even if the employee/relationship manager/sales person later leaves the employment of the distributor.

In case, the distributor has not given any advice to investor pertaining to the investment made, the EUIN box may be left blank wherein the investor will be required to provide a duly signed declaration to this effect, as given in the application form.

SEBI has made it compulsory for every employee/relationship manager/sales person of the distributor of mutual fund products to quote the EUIN obtained by him/her from AMFI in the Application Form.

6. Investors desirous of receiving the allotment of units in dematerialized ("demat") form will have to provide their demat account details in the application form. Currently, this facility is not available in case of units offered under the Daily/Weekly/Fortnightly IDCW Option(s).

The list of all such Investment Strategies/plans alongwith the respective ISIN of the options is available on the webpage viz hsif.hdfcfund.com, In case the Demat account details are not provided or the details are incomplete or the details do not match with the records as per Depository(ies), the application shall be treated as invalid for processing under demat mode and therefore may be considered for processing in non-demat form i.e. in physical mode, if the application is otherwise valid.

7. Investors may undertake transactions viz. purchase/ redemption/switch etc. through its official webpage hsif.hdfcfund.com, mobile handsets, etc. and may also submit transactions in electronic mode offered by specified banks, financial institutions, distributors etc., with whom AMC has entered or may enter into specific arrangements including through secured internet sites operated by CAMS. Accordingly, the servers (maintained at various locations) of the AMC and CAMS will be the official point of acceptance for all such online/electronic transaction facilities offered by the AMC.

For the purpose of determining the applicability of NAV, time of transaction would be the time when request for purchase/sale/switch of units is received in the servers of AMC/RTA.

8. Investors transacting through MFSS/BSE StAR MF/NSE Invest/NCDEX Nidhi Platform under the electronic order collection system for Investment Strategies which are unlisted and Stock Exchange(s) for the listed Investment Strategies will have to comply with norms/rules as prescribed by Stock Exchange(s).

9. Investors can carry out financial and non-financial transactions pertaining to Investment Strategies of H-SIF at the authorized Points of Service of MF Utilities India Private Limited (MFUI). The details of Points of Service with effect from the respective dates published on MFU website at www.mfuindia.com will be considered as Official Point of Acceptance (OPA) for transactions in the Investment Strategies of the SIF. The transactions carried out through MFU shall be subject to the terms & conditions as may be stipulated by MFUI/Fund/HDFC AMC from time to time.

10. In respect of New Fund Offer (NFO) of Investment Strategies/Plan(s) an investor can subscribe to the NFO through Applications Supported by Blocked Amount (ASBA) facility by applying for the Units offered under the Option(s)/Plan(s) of the Investment Strategies in the ASBA Application Form and following the procedure as prescribed in the form. For details please refer to the Section "Applications Supported by Blocked Amount (ASBA) facility".

11. All cheques and bank drafts should be drawn in favour of respective Investment Strategies A/c Permanent Account Number or Investor Name e.g. "HDFC Investment Strategy name A/c PAN" or "HDFC Investment Strategy name A/c Investor Name" dated, signed and crossed "A/c Payee only". A separate cheque or bank draft must accompany each application/each Investment Strategy /plan.

12. All cheques and bank drafts accompanying the application form should contain the application form number/PAN No/folio number on its reverse. Returned cheque(s) are liable not to be presented again for collection, and the accompanying Application Form is liable to be rejected. In case the returned cheque(s) are presented again, the necessary charges are liable to be debited to the Investor.

13. In order to protect the interest of Investors from fraudulent encashment of cheques, the current SEBI (MF) Regulations / SEBI Master Circular, has made it mandatory for Investors to mention in their Application/Redemption request, their bank name and account number.

    Any decision of HDFC AMC about the eligibility or otherwise of a person to transact under the Investment Strategy shall be final and binding on the applicant. HDFC AMC shall have the right to accept and/or to reject/compulsorily redeem the transaction at its sole discretion.

14. In order to comply with Association of Mutual Funds in India (AMFI) best practice guidelines on 'risk mitigation process against third party instruments and other payment modes for mutual fund subscriptions' issued from time to time and also to enhance compliance with Know Your Customer (KYC) norms under the Prevention of Money Laundering Act, 2002 (PMLA), the acceptance of Third Party Payments is restricted. For details please refer to the Section **"Restriction on Acceptance of Third Party Payment Instruments for Subscription of Units".**

15. Investors should note that it is mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/her **Permanent Account Number (PAN)/** irrespective of the amount of purchase* in the Application Form. Where the applicant is a minor, and does not possess his/her own PAN, he/she shall quote the PAN of his/her father or mother or the guardian, as the case may be. For details please refer to the Section "**Permanent Account Number**".

    *includes fresh/additional purchase, switch, Systematic Investment/Transfer and Reinvestment of IDCW/Transfer of IDCW.

16. Investors should note that it is mandatory for all transactions to quote the valid **KYC Compliance Status** of each applicant (guardian in case of minor) in the application and attach proof of KYC Compliance. For details regarding **'How to apply for KYC?'** and **'Who are required to be KYC compliant?'**

17. It is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor.

18. Investors should note that for all purchases in the folio of minors the payment shall be made from bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.

19. Applicants must satisfy the minimum Application Amount requirements mentioned in the 'ISID' of the respective Investment Strategies of H-SIF.

20. In case of non-individual applicants/investors, it will be mandatory to provide the details on 'Ultimate Beneficial Owner(s) (UBO(s))' by filling up the declaration form for 'Ultimate Beneficial Ownership'. Please contact the nearest Investor Service Centre (ISC) of HDFC Mutual Fund or visit our webpage hsif.hdfcfund.com for the Declaration Form. For more details please refer paragraph **"Ultimate Beneficial Owners (UBO(s))"**.

21. Applications that are incomplete in any respect are liable to be rejected.

22. Any application for subscription of units may be rejected if found incomplete or due to unavailability of underlying securities, etc.

23. As per Gazette notification dated 7th March 2023, Rule (A), Every Banking Company or Financial Institution or intermediary, as the case may be, shall register the details of a client, in case of client being a non-profit organization, on the DARPAN Portal of NITI Aayog, if not already registered, and maintain such registration records for a period of five years after the business relationship between a client and a reporting entity has ended or the account has been closed, whichever is later. Accordingly, all investors who are Non-profit organizations are onboarded only post providing NPO declaration and Darpan Id.

24. **MODE OF PAYMENT**
    - **Resident Investors**
      a) **For Investors having a bank account with HDFC Bank Limited or such banks with whom the AMC may have an arrangement from time to time:**
      Payment may be made for subscription to the Units of the Investment Strategy either by issuing a cheque drawn on such banks or by giving a debit mandate to their account with a branch of HDFC Bank Limited situated at the same location as the ISC or such other banks with whom the AMC may have an arrangement from time to time.
      b) **For other Investors not covered by (a) above:**
      Payment may be made by cheque or bank draft drawn on any bank, which is a member of the Bankers' Clearing House and is located at the place where the application is submitted. No money orders, post-dated cheques and postal orders will be accepted.

- **NRIs, PIOs, OCIs, FPIs**
  Repatriation Basis
  - In the case of NRIs/PIOs/OCIs, payment may be made either by inward remittance through normal banking channels or out of funds held in his Non - Resident (External) Rupee Account (NRE)/ Foreign Currency (Non-Resident) Account (FCNR) and other similar accounts as permitted by RBI from time to time. In case Indian rupee drafts are purchased abroad or from Foreign Currency Accounts or Non-resident Rupee Accounts an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.
  - FPIs shall pay their subscription either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Special Non-Resident Rupee Account maintained by the dealer.

  Non-repatriation Basis
  - In the case of NRIs/PIOs/OCIs, payment may be made either by inward remittance through normal banking channels or out of funds held in his Non-Resident Ordinary Rupee Account (NRO) and other similar accounts as permitted by RBI from time to time.

- NRIs/PIOs/OCIs/FPIs may also be requested to furnish such other documents as may be necessary and as desired by the AMC/Mutual Fund/Registrar, in connection with the investment in the Investment Stategy of the SIF.

25. Foreign Portfolio Investors (FPIs)

Pursuant to the SEBI (Foreign Portfolio Investors) Regulations, 2019, as notified by SEBI vide Notification No. SEBI/ LAD-NRO/GN/2019/36 dated September 23, 2019 (as amended from time to time), an FPI is required to obtain a certificate of registration from a Designated Depository Participant ("DDP"). The certificate of registration granted by the DDP shall remain valid on a permanent basis unless it is suspended or cancelled by SEBI or surrendered by the FPI in accordance with the applicable regulatory framework. Investments by Foreign Portfolio Investors ("FPIs") shall be governed by the provisions of the applicable laws, rules, regulations, circulars, notifications and guidelines issued by the SEBI, the RBI and any other competent regulatory authority, as amended from time to time.

FPIs shall comply with the applicable Know Your Client ("KYC"), Customer Due Diligence ("CDD"), Anti-Money Laundering ("AML") and Beneficial Ownership requirements prescribed under the Prevention of Money Laundering Act, 2002, the rules framed thereunder, the SEBI (Foreign Portfolio Investors) Regulations, 2019, and the circulars, master circulars, operational guidelines and other directions issued by SEBI and other competent authorities, as amended from time to time.

AMC and/or its Registrar and Transfer Agent shall undertake KYC verification and due diligence in accordance with the applicable regulatory framework, including the risk-based approach prescribed by SEBI for FPIs. The classification of FPIs into such categories or classes, the identification and verification of beneficial owners, and the KYC documentation requirements shall be in accordance with the applicable SEBI regulations, circulars, master circulars and operational guidelines, as amended or replaced from time to time.

26. Additional mode of payment through Applications Supported by Blocked Amount (ASBA) facility:

Pursuant to clause 15.10 of Master Circular an investor can subscribe to the New Fund Offers (NFOs) launched through ASBA facility by applying for the Units offered under the Option(s)/Plan(s) of the Investment Strategies in the ASBA Application Form and following the procedure as prescribed in the form. Hence, all the NFOs to be launched by the SIF shall have ASBA facility, which will co-exist with the existing mode of subscription. Please note that ASBA facility is purely optional and not mandatory.

ASBA is an application containing an authorization given by the Investor to block the application money in his/her specified bank account towards the subscription of Units offered during the NFO of the Investment Strategy of H-SIF.

Thus, for an investor who applies through ASBA facility, the application money towards the subscription of Units shall be debited from his/her specified bank account only if his/her application is selected for allotment of Units.

Benefits of Applying through ASBA facility

(i) Writing cheques and demand drafts is not required, as investor needs to submit ASBA application Form accompanying an authorization to block the account to the extent of application money towards subscription of Units. The balance money, if any, in the account can be used for other purposes by the investors.
(ii) Release/Unblocking of blocked funds after allotment is done instantaneously.
(iii) Unlike other modes of payment, ASBA facility prevents the loss of interest income on the application money towards subscription of Units as it remains in the bank account of the investor till the allotment is made.

(iv) Refunds of money to the investors do not arise as the application money towards subscription of Units gets blocked only on the allotment of Units.
(v) The investor deals with the known intermediary i.e. his/her own bank.
(vi) The application form is simpler as the application form for ASBA will be different from the NFO application form.

ASBA Procedure

(i) An Investor intending to subscribe to the Units of the NFO through ASBA, shall submit a duly completed ASBA Application Form to a Self Certified Syndicate Bank (SCSB), with whom his/her bank account is maintained.
(ii) An ASBA investor shall submit a duly filled up ASBA Application form, physically or electronically to the SCSB with whom the investors holds the bank account which is to be blocked:
    i. In case of ASBA application in physical mode, the investor shall submit the ASBA Application form at the bank branch of SCSB, which is designated for the purpose and the investor must be holding a bank account with such SCSB.
    ii. In case of ASBA application in electronic form, the investor shall submit the ASBA Application form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for subscribing to units of SIF Investment Strategies authorizing to block the subscription money in a bank account.
(iii) An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner that the investors will be allotted the Units applied for.

    Note: if the bank account specified in the ASBA Application Form does not have sufficient credit balance to meet the application money towards the subscription of Units, the Bank shall reject the ASBA Application form.

(iv) On acceptance of Physical or Electronic ASBA, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA Application Form.
(v) ASBA application form will not be accepted by any of the offices of HDFC Mutual Fund or its Registrar & Transfer Agent (R&TA), i. e. Computer Age Management Services Limited (CAMS).
(vi) The application money towards the Subscription of Units shall be blocked in the account until (i) Allotment of Units is made or (ii) Rejection of the application or (iii) Devolvement of the Investment Strategy, as the case may be.
(vii) SCSBs shall unblock the bank accounts for (i) Transfer of requisite money to the SIF/Investment Strategy bank account against each valid application on allotment or (ii) in case the application is rejected.
(viii) During processing of the ASBA application Forms by R&TA, if the application is found to be incomplete or incorrect, the SCSB will be informed on the same who will then unblock the investor account with appropriate remarks in the investor account.
(ix) The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in) and shall also be given in the ASBA application form.

Note: No request for withdrawal of ASBA application form will be allowed after the closure of New Fund Offer Period.

Grounds for Technical Rejections of ASBA application forms.

ASBA Application Forms can be rejected, at the discretion of R&TA Agent of HDFC Mutual Fund or SCSBs including but not limited on the following grounds:

1. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
2. ASBA Application Form without the stamp of the SCSB.
3. Application by any person outside India if not in compliance with applicable foreign and Indian laws.
4. Bank account details not given/incorrect details given.
5. Duly certified Power of Attorney, if applicable, not submitted alongwith the ASBA application form.
6. No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository Account.
7. Investor's demat account is inactive or suspended for any reason.
8. Investor's signature not matching with the bank's records.

HDFC Mutual Fund or its R&TA shall not be liable for any negligence or mistake committed by the SCSBs.

27. Additional facilities for transaction of Units:

- **Transactions through Channel Partners/ Distributors/Advisors/RIAs**

Investors may enter into an agreement with certain distributors/Registered Investment Advisers (RIAs)/ Portfolio Managers/Execution Only Platforms (EOPs) (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website/other electronic means or through Power of Attorney/agreement/any such arrangement in favour of the Channel Distributors as, the case may be.

Under such arrangement, the Channel Partners/ Distributors will aggregate the details of transactions (viz. subscriptions/redemptions/switches) of their various investors and forward the same electronically to the AMC/R&TA for processing on daily basis as per the cut-off timings applicable to the relevant Investment Strategies. Applicable NAV for such transactions will be determined basis time of receipt of applications at AMC/R&TA from respective Channel Partners/Distributors and time of credit of funds for subscription in the collection account of the fund. Investors may note that the Channel Partners/Distributors may have an earlier cut-off time for submission of transactions to AMC/R&TA. For details, investors are advised to refer to 'Investment Strategy Information Document' of the respective Investment Strategies of H-SIF.

- **Subscription of Units through Electronic Mode**

Subject to an investor fulfilling applicable terms and conditions as may be stipulated by the AMC from time to time, the AMC/Mutual Fund/Registrar/or any other agent or representative of the AMC/SIF/Registrar ("Recipient") may accept instructions/transaction requests transmitted through web/any other electronic mode as may be permitted by the AMC from time to time (hereinafter referred to as "electronic transactions") by such investor (hereinafter referred to as "transmitter"). For details, investors are advised to refer to 'Investment Strategy Information Document(s)' of the respective Investment Strategies of H-SIF.

28. How to Apply for KYC?

1. Investors who wish to be KYC Compliant should submit a completed CKYC & KRA KYC Form along with all the prescribed documents listed in the Form to any of the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investors Investment Strategies, etc. The CKYC Form is available at our webpage - hsif.hdfcfund.com and AMFI website - www.

amfiindia.com. Investors may visit any of the ISC of HDFC Mutual Fund for completion of their KYC formalities. Further, all the official points of acceptance of HDFC Mutual Fund are authorized to carry out KYC on behalf of the Fund.

2. For investors attempting to complete their KYC formalities using the CKYC form, it is mandatory for intermediaries including SIFs to carry out In- Person Verification (IPV). The IPV carried out by any SEBI registered intermediary can be relied upon by the Fund. The officials of HDFC Asset Management Company Limited and NISM/AMFI certified distributors who are Know Your Distributors (KYD) compliant are authorized to undertake the IPV for Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.
3. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including SIFs. However, the Fund reserves the right to carry out fresh KYC of the investor. The Fund may undertake enhanced KYC measures commensurate with the risk profile of its investors.

To avoid duplication of KYC process across the financial services sector, the government has introduced Central KYC (CKYC) which is a mechanism for centralization of the KYC records. Accordingly, we shall perform the initial KYC of our clients into the existing KRA module from where the data will get passed onto the Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) for generation of the KYC Identification number (KIN) of the investor.

How to Apply for eKYC?

eKYC is a paperless Aadhaar-based process for fulfilling your KYC requirements to start investing in Mutual Funds. SEBI has allowed Aadhaar-based KYC to be used for MF investments, for the convenience of investors. eKYC facility is an electronic, 100% paperless process for first time investors to SIFs to complete their Know Your Customer (KYC) process using their PAN card, Aadhaar and Bank Account details. All first-time investors who have not completed their KYC or whose KYC has got rejected for some reason can complete KYC using this facility. Currently, this facility is only available for Resident Individual investors and not available for NRI, Non-individual and minor investors. Investors can start their investment journey as soon as e-KYC process is completed without any limitation on the amount which can be invested. This facility is available on HDFC MFOnline platform via HyperVerge Technologies Private Limited or CAMS. Visit eKYC Mutual Fund – Online KYC for Mutual Fund | CAMS Online

Who are required to be KYC Compliant?

- All investors (both individual and non-individual) should be KYC compliant.
- Any investment in the name of minors should be through a Guardian, who should be KYC compliant for the purpose of investing with a SIF. The Minor, upon attaining majority, should immediately apply for KYC compliance in order to be able to transact in his/her own capacity.
- Also, applicants/unit holders intending to apply for units/currently holding units and operating their SIF folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA (i.e. the investor) and the holder of the PoA (i.e. the Attorney) must be KYC compliant. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA.
- An individual becoming an investor on account of an operation of law, e.g., transmission of units upon death of a unit holder, the claimant eligible for entering into the register of Unit holders of the SIF will be required to be KYC compliant before such transfer can take place.
- Existing KYC compliant investors of the Fund can continue to invest. However, existing investors are also urged to comply with the new CKYC requirements including IPV as mandated by SEBI.
- In case of non-individuals, each Ultimate Beneficial Owner (UBO) has to be KYC compliant.

For more details please refer paragraph **"Know Your Customer (KYC) compliance"**

29. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) on Automatic Exchange of Information (AEOI)

The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. On similar lines the Organization of Economic Development (OECD) along with G-20 countries has released a 'Standard for Automatic Exchange of Financial Account Information in Tax Matters' commonly known as Common Reporting Standard ('CRS'). India is signatory to the Multilateral Competent Authority Agreement (MCAA) for the purposes of CRS. Under FATCA/CRS provisions, Financial Institutions are obligated to obtain information about the financial accounts maintained by investors and report to the local Government/notified tax authorities. In accordance with FATCA and CRS provisions, the AMC/ the Fund is required to undertake due diligence process and identify foreign reportable accounts and collect such information/documentary evidences of the FATCA/CRS status of its investors/Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings/ investment returns to US Internal Revenue Service (IRS)/any other foreign government or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS/any other foreign government pursuant to the new reporting regime under FATCA/CRS.

FATCA/CRS due diligence will be directed at each investor/ Unit holder (including joint investor/Unitholder) and on being identified as a reportable person, all the folios will be reported. In case of folios with joint holders, the entire account value of the investment portfolio will be attributable under each such reportable person. An investor/Unit holder will therefore be required to comply with the request of the AMC/the Fund to furnish such information as and when sought by the AMC for the AMC/the Fund to comply with the information reporting requirements stated in IGA/MCAA and circulars issued by SEBI/AMFI in this regard. The information disclosed may include (but is not limited to) the identity of the investors/Unitholder(s) and their direct or indirect beneficiaries, beneficial owners and controlling persons. Investors/Unitholders should consult their own tax advisors regarding FATCA/CRS requirements with respect to their own situation.

The AMC/the Fund reserves the right to reject any application/freeze any folio(s) held directly or beneficially for transactions in the event the applicant/Unitholder(s) fail to furnish the relevant information and/or documentation in accordance with FATCA/CRS provisions and as requested by the AMC/SIF.

RESTRICTION ON ACCEPTANCE OF THIRD PARTY PAYMENT INSTRUMENTS FOR SUBSCRIPTION OF UNITS

1. HDFC Asset Management Company Limited ("AMC")/H-SIF ("SIF"), shall not accept applications for subscriptions of units accompanied with Third Party Payment instruments except in cases as enumerated in para 2A below.

   "Third Party Payment Instrument" means payment made through an instrument issued from a bank account other than that of the first named applicant/investor mentioned in the application form. In case of payment instruments issued from a joint bank account, the first named applicant/ investor must be one of the joint holders of the bank account from which the payment instrument is issued to consider the payment as a non- Third-Party Payment.

   Illustrations:
   Illustration 1: An Application submitted in joint names of A, B & C alongwith cheque issued from a bank account in names of B, C & Y. This will be considered as Third-Party payment.

Illustration 2: An Application submitted in joint names of A, B & C alongwith cheque issued from a bank account in names of C, A & B. This will not be considered as Third Party payment.

Illustration 3: An Application submitted in joint names of A, B & C alongwith cheque issued from a bank account in name of A. This will not be considered as Third Party payment.

2A. The SIF/AMC will not accept subscriptions with Third Party payments except in the following exceptional cases, which is subject to submission of requisite documentation/ declarations:
i) Custodian on behalf of an FPI or a Client.
ii) Payment by a Corporate to its Agent/Distributor/Dealer (similar arrangement with Principal agent relationship), on account of commission or incentive payable for sale of its goods/services, in the form of the SIF Units through SIP or lump sum/one-time subscription.
iii) Natural or Legal Guardian on behalf of minor.

2B. Applications submitted through the above mentioned 'exceptional cases' are required to comply with the following, without which applications for subscriptions for units will be rejected/not processed/refunded.
i) Mandatory KYC for all investors (guardian in case of minor).
ii) Submission of a complete and valid 'Third Party Payment Declaration Form' from the investors.
iii) Verifying the source of funds to ensure that funds have come from the drawer's account only.

3. Investors are required to adhere to the requirements specified hereinbelow.

(i) Source of funds - if paid by cheque

An investor at the time of his/her purchase of units must provide in the application form the details of his pay-in bank account (i.e. account from which a subscription payment is made) and his pay-out bank account (i.e. account into which redemption/IDCW proceeds are to be paid).

Identification of third-party cheques by the AMC/SIF/Registrar & Transfer Agent (R&TA) will be on the basis of matching the name and signature on the investment cheque with the name and signature of the first named applicant available on the application or in our records for the said folio. If the name of the bank account holder is not pre-printed on the investment cheque or signature on the said cheque does not match with that of the first named applicant mentioned on the application/available in our records for the said folio, then the investor should submit any one of the following documents at the time of investments:

(a) a copy# of the bank passbook or a statement of bank account having the name and address of the account holder and account number;
(b) a letter* (in original) from the bank on its letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).
#Investors should also bring the original documents along with the documents mentioned in (a) above to the ISCs/Official Points of Acceptance of HDFC Mutual Fund. The copy of such documents will be verified with the original documents to the satisfaction of the AMC/ SIF/Registrar & Transfer Agent. The original documents will be returned across the counter to the investor after due verification.

* In respect of (b) above, it should be certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number. Investors should note that where the bank account numbers have changed on account of the implementation of core banking system at their banks, any related communication from the bank towards a change in bank account number should accompany the application form for subscription of units. However, for updation of the changed bank details in the folio, the investor should follow the change of bank details process.

The SIF has also provided a facility to the investors to register multiple bank accounts. By registering multiple bank accounts, the investors can use any of the registered bank accounts to receive redemption/IDCW proceeds. These account details will be used by the AMC/SIF/R&TA for verification of instrument used for subscription to ensure that a third party payment instrument is not used for SIF subscription, except where permitted in (2) above.

Investors are requested to avail the facility of registering multiple bank accounts by filling in the Application Form for Registration of Multiple Bank Accounts available at our Investor Service Centers (ISCs) or on our webpage hsif.hdfcfund.com

(ii) Source of funds - if paid by RTGS, Bank Account- to-Account Transfer, NEFT, ECS, etc.
Investors should attach to the purchase application form, an acknowledged copy of the instruction to the bank also stating the account number debited. The account number mentioned on the transfer instruction copy should be a registered bank account or the first named applicant/investor should be one of the account holders to the bank account debited for such electronic transfer of funds.

TREATMENT OF FINANCIAL TRANSACTIONS RECEIVED THROUGH SUSPENDED DISTRIBUTORS/INVALID AMFI REGISTRATION NUMBER (ARN):

The financial transactions of an investor where his distributor's ARN is invalid or has not completed the SIF certification or has been suspended temporarily or terminated permanently by Association of Mutual Funds in India (AMFI) shall be processed as follows:

1. All Purchase/Switch requests (including under fresh registrations of Systematic Investment Plan ("SIP")/Systematic Transfer Plan ("STP") or under SIPs/STPs registered prior to the suspension period) received during the suspension period shall be processed under "Direct Plan" and continue to be processed under "Direct Plan" perpetually unless after suspension of ARN is revoked, unitholder makes a written request to process the future instalments/investments under "Regular Plan". The AMC shall also suitably inform the concerned Unitholders about the suspension of the distributor from doing SIF distribution business.
2. Any Purchase/Switch or SIP/STP transaction requests received through the stock exchange platform, from any distributor whose ARN has been suspended, shall be rejected.
3. Additionally, where the ARN of a distributor has been terminated permanently, the AMC shall advise the concerned unitholder(s), who may at their option, either continue their existing investments under Regular Plan under any valid ARN holder of their choice or switch their existing investments from "Regular Plan" to "Direct Plan" subject to tax implications and exit load, if any.

SUSPENSION OF SALE (INCLUDING SWITCH-IN) OF THE UNITS

The SIF at its sole discretion reserves the right to withdraw Sale (including switch-in) of the Units in the Investment Strategies (including Plan/Option of the Investment Strategy) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and/or suitable investment opportunities are not available for deployment of funds.

Further, the indicative list of circumstances under which sale or switching of units may temporarily be suspended is as follows:

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Investment Strategy are closed otherwise than for ordinary holidays.
2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Investment Strategy are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders.

3. In the event of breakdown in the means of communication used for the valuation of investments of the Investment Strategy, without which the value of the securities of the Investment Strategy cannot be accurately calculated.
4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Investment Strategy.
5. In case of natural calamities, war, strikes, riots and bandhs.
6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC.
7. During the period of Book Closure.
8. When the money markets which provide basis for valuation are closed/not accessible otherwise than for ordinary holidays.
9. When the bullion markets in London and forex markets which provide basis for valuation are closed otherwise than for ordinary holidays.
10. In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s).
11. If so directed by SEBI.

Additionally, the AMC reserves the right in its sole discretion to withdraw the facility of Sale (including switch-in) of Units into and out of the Investment Strategies (including any one Plan/Option of the Investment Strategy), temporarily or indefinitely, if AMC views that changing the size of the corpus may prove detrimental to the existing Unit holders of the Investment Strategies.

RIGHT TO RESTRICT REDEMPTION AND/OR SUSPEND REDEMPTION OF THE UNITS:

Subscription: In the interest of the investors and in order to protect the portfolio from market volatility, the Trustees reserve the right to limit or discontinue subscriptions under the Investment Strategy for a specified period of time or till further notice subject to SEBI Regulations and any other laws applicable from time to time.

Redemption: Suspension or restriction of repurchase/ redemption facility under any Investment Strategy of the mutual fund shall be made applicable only after obtaining the approval from the Boards of Directors of the AMC and the Trustees except for complying with Minimum Investment Threshold. After obtaining the approval from the AMC Board and the Trustees, intimation would be sent to SEBI in advance providing details of circumstances and justification for the proposed action shall also be informed.

A. SPECIAL PRODUCTS/FACILITIES AVAILABLE UNDER VARIOUS INVESTMENT STRATEGIES (INVESTORS MAY ALSO REFER TO THE RESPECTIVE ISIDS):

SYSTEMATIC INVESTMENT PLAN (SIP)

The Unit holders under the eligible Investment Strategies can benefit by investing specified Rupee amounts at regular intervals for a continuous period. Under the SIP, Investors can invest a fixed amount of Rupees at regular intervals for purchasing additional Units of the Investment Strategies at Applicable NAV. This concept is called Rupee Cost Averaging.

Unit holder can enroll for the SIP facility by submitting duly completed Enrolment Form at the Official Point(s) of Acceptance. It may be noted that new investors can apply for SIP without any existing investment/folio.

The provision for minimum application amount shall not be applicable to SIP investments, which have different minimum installment amount.

Presently, SIP offers investors six frequencies viz. ‘Daily Systematic Investment Plan (DSIP)’, ‘Weekly Systematic Investment Plan (WSIP)’, Fortnightly Systematic Investment Plan (FSIP)

'Monthly Systematic Investment Plan (MSIP)', 'Quarterly Systematic Investment Plan (QSIP), Half Yearly Systematic Investment Plan (HYSIP) and Yearly Systematic Investment Plan (YSIP)'.

DSIP shall be triggered and processed only on all Business Days.

Mode of payment for DSIP installments shall be only through OTM Debit Mandate.

The minimum amount and minimum number of installments for SIP are as under:

SIP Frequency	**Minimum Amount (Rs.) ***	**Minimum number of installments**
Daily,	5,000	6
Weekly, Fortnightly & Monthly	10,000	6
Quarterly	20,000	4
Half-Yearly	50,000	2
Yearly	1,00,000 and above	1

*and in multiples of Rs. 1/- thereafter.

There is no maximum duration for SIP enrolment.
Investors can choose any date of his/her preference as SIP Debit Date. In case of weekly frequency, Investor can select any Business Day between Monday to Friday. However, in case the chosen or default date/day falls on a Non-Business Day or on a day which is not available in a particular month, the SIP will be processed on the immediate next Business Day. In case the SIP Debit date is not indicated, 10th shall be treated as the Default date. In case of weekly frequency, default day is Wednesday. The cheques should be drawn in favour of the Investment Strategy name e.g. "**HDFC Investment Strategy Name A/c PAN**" or "**HDFC Investment Strategy Name A/c Investor Name**" dated, signed and crossed **"A/c Payee only".**
Note: SIP is only a disciplined way of investing and units may not be allotted on the selected date if the amount is not available for utilization by the Investment Strategy.

Investors can invest under this facility at periodic intervals by providing post-dated cheques for Monthly & Quarterly SIP to Official Point(s) of Acceptance. An investor is eligible to issue only one cheque for each month/quarter in the same SIP enrolment form. All SIP cheques under MSIP and QSIP should be of the same amount and same date.

On receipt of the post dated cheques, the Fund will send a letter to the Unit holder confirming that the Unit holder's name has been noted for the SIP facility. The cheques will be presented on the dates mentioned on the cheque and subject to realization of the cheque, Units will be allotted at the Applicable NAV. In case the date falls on a holiday, the immediate next Business Day will be considered for this purpose.

Investors may register for SIP through One Time Mandate (OTM) for payment towards any future purchase transactions received through any mode i.e. physical or electronic. AMC may choose any mode such as NACH/ECS/DIRECT DEBIT/ Standing Instruction (SI) as per arrangements with banks or payment aggregators. For online transactions, AMC may provide various payment modes, as available from time to time for SIP Enrolments.

The SIP registration will be discontinued in cases where six (6) consecutive installments are not honored.

Investors will have the right to discontinue the SIP facility at any time by sending a written request to any of the Official Point(s) of Acceptance. Notice of such discontinuance should be received at least 15 days prior to the due date of the next installment. On receipt of such request, the SIP facility will be terminated. The balance post-dated cheque/s will be returned to the Investor. SIP will be terminated upon notification of death of the Unit holder.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Investment Strategy.

Transactions Charges shall be deducted from SIP installments, if applicable. For further details, refer to the section **'Highlights/ Summary of the Investment Strategy**.

The AMC/Trustee reserves the right to change/modify load structure and other terms and conditions under the SIP prospectively at a future date.
Note: In terms of AMFI Advisory No.35P/MEM-COR/90/2023-24 dated December 5, 2023, in order to prevent fraud, SIP applications received through any mode (Including Stock Exchanges, Channel Partners, MFU, EOPs, etc.) should have CBS account details and no application will be accepted with non-CBS account details.

Please refer to the SIP Enrolment Form for terms & conditions before enrolment.

OTM - One Time Mandate ('Facility'):
OTM is a simple and convenient facility that enables the Unit holders to transact in the Investment Strategy of the Fund by submitting OTM - One Time Mandate registration form to the Fund. It is a one - time registration process wherein the Unit holder(s) of the Investment Strategies of the Fund authorizes his/her bank to debit their account upto a certain specified limit per transaction, on request received from the Fund, as and when the transaction is undertaken by the Unit holder, without the need of submitting cheque or fund transfer letter with every transaction thereafter. This Facility is only available to Unit holder(s) of the Fund who have been assigned a folio number by the AMC.
Unit Holder(s) are requested to note that the AMC reserves the right to amend the terms and conditions, or modify, or discontinue the Facility for existing as well as prospective investors at any time in future. Complete paperless mandate registration called 'E-mandate' or 'E-OTM' is available on **HDFC Mutual Fund app for investors** and Partners portal.

For general terms and conditions and more information, Unit holder(s) are requested to read Terms and Conditions, OTM registration form available at the Investor Service Centres (ISCs) of the Fund and also available on hsif.hdfcfund.com

Systematic Transfer Plan (STP):
A Unit holder holding units in non-demat form may enroll for the Systematic Transfer Plan and choose to Switch on a daily, weekly, monthly or quarterly basis from one H-SIF Investment Strategy to another Investment Strategy, which is available for investment at that time.

The AMC shall provide the STP facility for units held in demat mode as per the in accordance with the provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time.

The amount thus switched shall be converted into Units on the scheduled date and such number of Units will be subtracted from the Unit balance of the Transferor Investment Strategy. In case these dates fall on a Holiday, the next Business Day will be considered for this purpose. The amount so switched shall be reinvested in the Transferee Investment Strategy/Plan.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Transferee Investment Strategy.
The AMC/Trustee reserves the right to change/modify load structure and other terms and conditions under the STP prospectively at a future date.

Please refer to the STP Enrolment Form for further details and terms and conditions before enrolment.

Systematic Withdrawal Advantage Plan (SWAP)/ Systematic Withdrawal Plan (SWP)

This facility, available to the Unit holders of the Investment Strategy holding units in non-demat form, enables them to withdraw (subject to deduction of tax at source, if any) fixed sum (Fixed Plan) from their Unit accounts at periodic intervals **(subject to minimum investment threshold).** Fixed Plan is available for Growth as well as IDCW Option for eligible Investment Strategies/Plan(s) under SWAP facility. Unitholder(s) who opt for Fixed Plan under systematic withdrawal from each Investment Strategy/Plan have an option of Monthly, Quarterly, Half-Yearly and Yearly intervals and Unitholder(s) who opt for Variable Plan under systematic withdrawal from each Investment Strategy/Plan have an option of Quarterly, Half-Yearly and Yearly intervals. Unit holder can avail of this facility subject to the terms and conditions contained in the SWAP Enrolment Form, by choosing any date, as applicable, of his/her preference as SWAP/SWP withdrawal date. In case the chosen date falls on a holiday or on a date which is not available in a particular month, the immediate next Business Day will be deemed as the SWAP/SWP withdrawal date. In case no date is mentioned 25th will be considered as the Default Date.

The AMC shall provide the SWAP/SWP facility for units held in demat mode as per the in accordance with the provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time.

The amount withdrawn (subject to deduction of tax at source, if any) under SWAP/SWP by Redemption shall be converted into the specific Investment Strategy/Plan Units at the NAV based prices as on the SWAP/SWP withdrawal date of month/quarter/half-year/year, as applicable, and such Units will be subtracted from the Unit Balance of the Unit holders. If the net asset value of the Units outstanding on the withdrawal date is insufficient to process the withdrawal request, then the SIF will redeem the Units outstanding in its entirety.

SWAP/SWP will be terminated automatically if all the Units are liquidated or withdrawn from the Investment Strategy or pledged or upon the Fund's receipt of notification of death or incapacity of the Unit holder.

In respect of amount withdrawn under SWAP/SWP, the Exit Load, if any, applicable to the Investment Strategy/Plan as on the date of allotment of units in case of lumpsum investments and date of registration in case of units allotted under all Systematic Investment facilities i.e. all types of SIPs/ STPs, shall be levied.

Investors may note that if you decide to take up Fixed Plan under SWAP/SWP facility, you should be aware that the withdrawals may take place from the principal amount invested.

Investors can enroll themselves for the facility by submitting the duly completed SWAP/SWP Enrolment Form at any of the OPAs.

The AMC/Trustee reserve the right to change/modify the terms and conditions under the SWAP/SWP prospectively at a future date.

MINOR ATTAINING MAJOR STATUS

The SIF/AMC will register SIP/STP/SWAP/or any other systematic enrollment in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. Such enrollments will automatically stand terminated upon the Unit Holder attaining 18 years of age.

For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.

Please read the instructions on the Application Form for further details.

SWITCHING OPTIONS

Unit holders under the Investment Strategy holding units in non-demat form have the option to Switch part or all of their Unit holdings in the Investment Strategy to another Investment Strategy established by the SIF, or within the Investment Strategy from one Plan/Option to another Plan/Option (**subject to completion of lock-in period, if any**) which is available for investment at that time, subject to applicable exit load. This Option will be useful to Unit holders who wish to alter the allocation of their investment among the Investment Strategies/Plan(s)/Option(s) of the SIF in order to meet their changed investment needs.

The Switch will be effected by way of a Redemption of Units [On a First In First Out (FIFO) basis] from the Investment Strategy/Plan and a reinvestment of the Redemption proceeds in the other Investment Strategy/Plan and accordingly, to be effective, the Switch must comply with the Redemption rules of the Investment Strategy and the issue rules of the other Investment Strategy (e.g. as to the minimum number of Units that may be redeemed or issued, Exit/Entry Load etc). The price at which the Units will be Switched out of the Investment Strategy will be based on the Redemption Price, and the proceeds will be invested in the other Investment Strategy/Plan at the prevailing sale price for units in that Investment Strategy/Plan.

Exit Load for switches within the Investment Strategy:

No Exit Load shall be levied for switching between Plans/Options within the Investment Strategy. However, exit load will be applicable if the units are switched-out/redeemed from the Investment Strategy within the exit load period from the initial date of purchase.

The Trustee/AMC reserves the right to modify the load structure for Switching between Plans within the Investment Strategy or Options within the Plans under the Investment Strategy at a future date.

FACILITY TO PURCHASE/REDEEM/SWITCH UNITS OF THE INVESTMENT STRATEGYTHROUGH STOCK EXCHANGE(S)

Units of the investment strategy shall be available for purchase/redeem/ switch through stock exchange platform(s) made available by NSE, BSE, NCDEX i.e. Mutual Fund Service System (MFSS) and NSE MF Invest of NSE and/or BSE StAR MF of BSE and/or National Commodity & Derivatives Exchange Limited (NCDEX) Nidhi platform (only for non-demat mode). Accordingly, investors may approach their stock brokers/registered investment advisers/SIF distributors/Depository Participant, etc. for their transactions through the above mechanism.

Under this facility, trading member can facilitate investors to purchase/redeem/switch units of the investment strategy using their existing network and order collection mechanism as provided by respective stock exchange. The AMC may offer any other facility/systematic plans through the stock exchange platform. Investors availing of this facility shall be allotted units in accordance with the SEBI guidelines issued from time to time. For units held in demat mode, the records of the Depository Participant shall be considered as final for such unitholders. The transactions carried out on the above platform shall be subject to such guidelines as may be issued by the respective stock exchanges, SEBI (MF) Regulations and circulars/guidelines issued by SEBI/AMFI thereunder from time to time.

Applications for purchase of Units which are incomplete/invalid are liable to be rejected. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of SIF Investment Strategies/Plan(s). In case of non-financial requests/applications such as change of address, change of bank details, etc. investors should approach Official Point(s) of Acceptance of H-SIF if Units are held in physical mode and the respective Depository Participant(s)/ Depository if Units are held in Demat mode.

Investors will have to comply with Know Your Customer (KYC) norms as prescribed by SEBI/BSE/NSE/CDSL/NSDL and the SIF to participate in this facility. Investors should contact the Official Point(s) of Acceptance of H-SIF for further details.

For more details, investors are advised to refer to 'ISID of the respective Investment Strategies of HDFC Mutual Fund.

The Trustee reserves the right to modify/withdraw the facility to transact through the Stock Exchange(s) infrastructure on a prospective basis.

Transactions through "Channel Distributors"
Investors may enter into an agreement with certain distributors/ Registered Investment Advisers (RIAs)/Portfolio Managers/ Execution only Platforms (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of SIFs through various modes such as their website/other electronic means or through Power of Attorney/agreement/any such arrangement in favour of the Channel Distributor, as the case may be.

Under such arrangement, the Channel Distributors will forward the details of transactions (viz. subscriptions/redemptions/ switches) of investors electronically to the AMC/RTA for processing on daily basis as per the cut-off timings applicable to the relevant Investment Strategies and in accordance with applicable SEBI/ AMFI circulars issued from time to time.

The Channel Distributor is required to upload the scan copy of investor documents like Account opening forms (AOF) to the RTA (one time for central record keeping) as also the transaction documents/proof of transaction authorization as the case may be, to the AMC/RTA as per agreed timelines. In case necessary documents are not furnished within the stipulated timeline, the transaction request, shall be liable to be rejected.

Subscription proceeds, when invested through this mode, shall be by way of direct credits to the specified bank account of the Fund. The Redemption proceeds (subject to deduction of tax at source, if any) and IDCW payouts, if any, are paid by the AMC to the investor directly through direct credit in the specified bank account of the investor or through issuance of payment instrument, as applicable.

It may be noted that investors investing through this mode may also approach the AMC/Official Points of Acceptance directly with their transaction requests (financial/non-financial) or avail of the online transaction facilities offered by the AMC.

The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors/Channel Distributors through above mode.

TRANSACTIONS OF UNITS THROUGH ELECTRONIC MODE
Subject to an investor fulfilling applicable terms and conditions as may be stipulated by the AMC from time to time, the AMC/ SIF/Registrar/or any other agent or representative of the AMC/SIF/Registrar **("Recipient")** may accept instructions/transaction requests transmitted through web/any other electronic mode as may be permitted by the AMC from time to time (hereinafter referred to as "**electronic transactions**") by such investor (hereinafter referred to as "**transmitter**"). The acceptance of the electronic transactions will be solely at the risk of the transmitter and the Recipient shall not be liable and/or responsible for any loss or damage caused to the transmitter directly and/or indirectly, as a result of sending and/or purporting to send such electronic transactions including where such electronic transactions sent/purported to be sent is not processed by the Recipient for any reason whatsoever.

The transmitter acknowledges that electronic transactions is not a secure means of giving instructions/transactions requests and is aware of the risks involved including but not limited to such instructions/requests being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc.

The transmitter acknowledges that the request to the Recipient to act on any electronic transactions is for the transmitter's convenience and the Recipient is not obliged or bound to act on the same.

The transmitter authorizes the Recipient to accept and act on the electronic transactions that the Recipient believes in good faith to be given by the transmitter duly signed. The Recipient at its discretion may treat such electronic transactions as final for all record purposes.
In case there is any discrepancy between the particulars mentioned in the electronic transactions and the original document/s that may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom.

The transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone call backs or a combination of the same, that may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such electronic transactions.

The transmitter accepts that the electronic transactions shall be time stamped (wherever required) upon receipt by the Recipient in accordance with SEBI (MF) Regulations.

In consideration of the Recipient accepting and at its sole discretion acting on any electronic transactions received/ purporting to be received from the transmitter, the transmitter hereby agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, SIF and Trustee (hereinafter referred to as '**indemnified parties**') from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from and/ or in connection with or in any way relating to the indemnified parties in good faith accepting and acting on the electronic transactions.

The AMC reserves the right to modify the terms and conditions and/or to discontinue the facility at any time. On availing this facility, transmitter will unequivocally be bound by what is stated above.

Electronic Services
The **eServices** facility includes **HDFC Mutual Fund app for Investors, eDocs, eAlerts** and **ePayouts**. The AMC/Fund may at its sole discretion offer/ discontinue any and/or all of the **eServices** facilities offered to any Unitholder in the event the offer of the same is restricted under the applicable jurisdictional laws of such Unitholder.

HDFC Mutual Fund app for Investors

The Fund's webpage hsif.hdfcfund.com offers this facility to enable Unitholders to execute purchases, redemptions, switches, Systematic transactions. HDFC Mutual Fund app for Investors is also available on mobile devices. Unitholders can have access by downloading the app.

HDFCMFeServices
This facility provides online access on **HDFC Mutual Fund app for Investors** for joint mode of holding and non-individual folios having Online Access facility to execute purchases/avail such other services as may be introduced by the Fund from time to time on the Fund's webpage hsif.hdfcfund.comusing **HDFCMFInvestOnline.**

eDocs
This facility enables the Unitholder to register an email address with the AMC for receiving allotment confirmations, consolidated account statement/account statement, annual report/abridged summary thereof and/or any statutory/other information as permitted by email.

eAlerts
This facility enables the Unit holder to receive SMS/email/ WhatsApp/other electronic/notifications/confirmations for purchase, redemption, SIP, switch, IDCW declaration details and other alerts.
Apart from above mentioned facilities, the facility of **ePayouts** comprising mode of payment of Redemption/IDCW Proceeds if any, via Direct Credit/NEFT/RTGS/or any other mode as is available from time to time, is covered under eServices facility.

For further details and the terms and conditions applicable for availing **eServices**, please visit our webpage hsif.hdfcfund.com

Unified Payment Interface (UPI Facility)
The AMC has enabled @valid UPI handle only for the purpose of UPI Auto Pay for SIP. Unitholders may choose UPI as preferred mode for seamless and secure payment while transacting through our Digital Assets.

MF Central
As per clause 17.5 of SEBI Master Circular, to comply with the requirements of RTA inter-operable Platform for enhancing investors' experience in SIF transactions/service requests, the Qualified RTAs, currently, Kfin Technologies Limited ("KFintech") and Computer Age Management Services Limited ("CAMS") have jointly developed MFCentral - A digital platform for SIF investors (hereinafter referred to as "MFCentral" or "the Platform").

MFCentral is created with an intent to be a one stop portal/ mobile app for all SIF investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital/physical services to SIF investors across fund houses subject to applicable Terms and Conditions of the Platform. MFCentral can be accessed using https://mfcentral.com/and via Mobile App.

Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service Centres (DISCs) or collection centres of Kfintech or CAMS. Investors can also fetch their holding statement(s), Consolidated account statement(s) and can avail nomination facility through DigiLocker mechanism whereby DigiLocker Nominee/s can then access the digital information of the deceased DigiLocker user, through the nominee's own DigiLocker account after authentication.

Voluntary Lock-in/Debit Freeze Facility
Pursuant to clause 15.20 of SEBI Master Circular dated March 20, 2026 read with AMFI Best Practice Guidelines Circular No. 124/2026-27 dated April 10, 2026, the Mutual Fund provides an optional facility to investors to voluntarily lock (freeze) their folios in order to restrict investor-initiated debit transactions and/or specified non-financial transactions, with a view to enhance the security of mutual fund holdings and prevent unauthorized or unintended transactions.

The facility shall be available to resident and non-resident individual investors, subject to the folio being KYC compliant (Registered/Validated) and updated with valid email ID and Indian mobile number, and shall be exercisable only by the first/ sole holder in folios held singly or under "Anyone or Survivor" mode. In case of minor folios, the facility may be exercised by the guardian until the minor attains majority.

For units held in Statement of Account (SOA) (non-demat) mode, the facility shall be available through MF Central, whereas for units held in demat mode, the facility may be availed through respective Depositories (NSDL/CDSL).

Investors shall have the option to (i) lock only debit (financial) transactions or (ii) lock both debit and specified non-financial transactions.

Process for Locking/freezing the folio(s) (for SOA mode):

a. Investors shall log in to the MF Central after completing all applicable log in validation process which includes providing PAN along with registered email ID and/or mobile number, and OTP-based authentication.
b. Upon successful validation, investors will be provided with details of all their holdings viz., fund name, Investment Strategy, outstanding units, and value of units (based on the latest available NAV) held in SOA mode.
c. Investors may select the option to "lock" transactions and choose the specific Investment Strategies and folio(s) for which the lock is to be applied.
d. Upon selection of the lock option, an OTP shall be sent to the investor's registered email ID and/or mobile number. Upon successful validation of OTP, MF Central shall forward the request to the respective RTA(s) for processing.
e. The respective RTA(s) shall process the request by marking the lock on the selected folio(s) and shall send a confirmation to the investors.
f. Lock would be marked in the select folio(s) in RTA database instantly for holdings held in SOA form.
g. A folio marked as "locked" shall not be permitted for financial and/or non-financial transactions, as applicable, until such time the lock is revoked by the investor.

During the period of such lock, investor-initiated transactions including, inter alia, redemptions, switches, registration of Systematic Transfer Plans (STP), Systematic Withdrawal Plans (SWP), and specified non-financial transactions such as change in bank mandate, contact details, nominee registration/modification/cancellation, and other similar requests, shall be restricted until the folio is unlocked. However, transactions such as fresh/additional purchases, SIP registrations, instalments under existing systematic transactions registered prior to the lock, IDCW payouts/reinvestments, and transactions initiated pursuant to regulatory or statutory requirements shall continue to be permitted.

Further, non-investor-initiated transactions, including those carried out pursuant to regulatory instructions, KRA updates, or directions from law enforcement agencies, shall not be impacted by the lock

Process for Unlocking the folio(s) (for SOA mode):

a. Investors shall log in to the MF Central after completing all applicable log in validation process which includes providing PAN along with registered email ID and/or mobile number, and OTP-based authentication.
b. Upon successful validation, investors will be provided with details of all their holdings viz., fund name, Investment Strategies, outstanding units, and value of units (based on the latest available NAV) held in SOA mode.
c. Investors may select the option to "unlock" transactions and choose the specific Investment Strategies and folio(s) for which the unlock is to be applied.
d. Unlocking shall require two-factor authentication, through separate OTPs sent to the registered email ID and mobile number.
e. Upon successful validation, MF Central shall forward the request to the respective RTA(s) for processing.
f. The respective RTA(s) shall process the request by marking the unlock on the selected folio(s) and shall send a confirmation to the investors.

The lock shall remain valid until revoked by the investor and may be enabled/disabled multiple times subject to prescribed validation processes. The investor shall be solely responsible for any consequences arising from the activation of the lock, including inability to transact during the lock period, and the AMC, its RTAs and associated entities shall not be liable for any financial or other impact arising therefrom.

Detailed procedures, terms and conditions, and investor guidance in relation to the facility are available on the webpage viz. Frequently Asked Questions for Investors, HDFC Mutual Fund and on the MF Central viz. https://www.mfcentral.com.

TRANSACTIONS THROUGH MF UTILITY ("MFU")

The AMC has entered into an Agreement with MF Utilities India Private Limited ("MFUI"), a "Category II - Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 2025, for usage of MF Utility ("MFU") a "Shared Services" initiative formed by the Asset Management Companies of SEBI registered SIFs under the aegis of Association of Mutual Funds in India (AMFI). MFU acts as a transaction aggregation portal for enabling transaction in multiple Investment Strategies of various SIFs with a single form and a single payment instrument. Both financial and non financial transactions pertaining to Investment Strategies of H-SIF ('the Fund') can be done through MFU at the authorized Points of Service ("POS") of MFUI. The details of POS with effect from the respective dates published on MFU website at www.mfuindia.com will be considered as Official Point of Acceptance (OPA) for transactions in the Investment Strategies of the Fund.

Additionally, such transactions can also be carried out electronically on the online transaction portal of MFU at www.mfuonline.com as and when such a facility is made available by MFUI and that the same will be considered OPA for transactions in the Investment Strategies of the Fund.

The key features of MFU are:

1. Investors will be required to obtain Common Account Number ("CAN") for transacting through MFU.
2. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the Point of Service (POS) of MFUI. HDFC AMC and/or CAMS, Registrar and Transfer Agent (RTA) of the Fund shall provide necessary details to MFUI as may be needed for providing the required services to investors/distributors through MFU.
3. Investors will be allotted a CAN, a single reference number for all investments across SIFs, for transacting in multiple Investment Strategies of various SIFs through MFU and to map existing folios, if any.
4. Currently, the transactions facilitated through MFU for the investors are:
   I. CAN registration;
   II. Submission of documents to KRAs for KYC Registration;
   III. Financial transactions like Purchases, Redemptions and Switches, Registration of Systematic Transactions like Systematic Investments (SIP) using a single Mandate, Systematic Withdrawals (SWP) and Systematic Transfers (STP);
   IV. Non-financial transactions (NFT) like Bank Account changes, facilitating change of address through KRAs etc. based on duly signed written requests from the Investors.
5. The CRF and other relevant forms for transacting through MFU can be downloaded from MFUI website at www.mfuindia.com or can be obtained from MFUI POS.
6. Investors transacting through MFU shall be deemed to have consented to exchange of information viz. personal and/ or financial (including the changes, if any) between the Fund/HDFC AMC and MFUI and/or its authorized service providers for validation and processing of transactions carried out through MFU.
7. For details on carrying out the transactions through MFU or any queries or clarifications related to MFU, investors are requested to contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email

to clientservices@mfuindia.com. Investors of the Fund can also get in touch with Investor Service Centres (ISCs) of HDFC AMC to know more about MFU.

8. For any escalations and post-transaction queries pertaining to Investment Strategies of the Fund, the Investors are requested to get in touch with the ISCs of HDFC AMC.

The transactions carried out through MFU shall be subject to the terms & conditions as may be stipulated by MFUI/Fund/ HDFC AMC from time to time. The terms & conditions of offering of the Investment Strategies of the Fund as specified in the ISID, KIM and Statement of Additional Information ('SAI') shall be applicable to transactions through MFU.

B. DEFAULT SCENARIOS AVAILABLE TO THE INVESTORS UNDER PLANS/ OPTIONS OF THE INVESTMENT STRATEGIES:

All Investment Strategies offer Direct and Regular Plan to the investors for investments.
Direct Plan is for investors who wish to invest directly without routing the investment through any distributor.
Regular Plan is for investors who wish to route their investment through any distributor.
Investors should indicate the Plan viz. Regular/Direct for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the application form. In case of valid applications received without indicating any choice of Plan, the application will be processed for the Plan as under:

Scenario	ARN Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct	Direct Plan
3	Not mentioned	Regular	Direct Plan
4	Mentioned	Direct	Direct Plan
5	Direct	Not mentioned	Direct Plan
6	Direct	Regular	Direct Plan
7	Mentioned	Regular	Regular Plan
8	Mentioned	Not mentioned	Regular Plan

In cases of wrong/invalid/incomplete ARN codes are mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.
In case an investor submits an application with ARN number which is valid, but the broker/distributor is not empanelled with the AMC, the transaction will be processed under "Direct Plan" or in the manner notified by SEBI/AMFI from time to time.

The financial transactions# of an investor where his distributor's AMFI Registration Number (ARN) has been suspended temporarily or terminated permanently received during the suspension period shall be processed under "Direct Plan" and continue to be processed under "Direct Plan" perpetually unless after suspension of ARN is revoked, unitholder makes a written request to process the future installments/investments under "Regular Plan". Any financial transactions requests received through the stock exchange platform, from any distributor whose ARN has been suspended, shall be rejected.

#Financial Transactions shall include all Purchase/Switch requests (including under fresh registrations of Systematic Investment Plan ("SIP")/Systematic Transfer Plan ("STP") or under SIPs/STPs registered prior to the suspension period).

Treatment of transactions received under Regular Plan with invalid ARN

Transactions received in Regular Plan with Invalid ARN shall be processed in Direct Plan of the same Investment Strategy (even if reported in Regular Plan), applying the below logic:

Transaction Type	Primary ARN			SUB distributor ARN		EUIN*	Execution Only Mentioned	Regular Plan/ Direct Plan
	Valid	Invalid	Empanelled	Valid	Invalid	Valid	Yes	
Lump Sum/ Registration	Y		Y				Y	Regular
	Y		N	Not Applicable				Direct
	Y		Y	N.A.	N.A.	N.A.	N	Regular*
	Y		Y	Y		Y		Regular
		Y						Direct
	Y		Y	Y			Y	Regular
	Y		Y		Y			Direct
Trigger	Y			Not Applicable				Regular
		Y		Not Applicable				Direct

- *If the EUIN is invalid/missing, the transactions shall be processed in Regular plan, and the distributor/investor shall be given 30 day period from the date of the transaction for remediation of the EUIN. The commission shall not be paid till the EUIN is remediated. In such cases, the investor to be advised to either provide a different EUIN linked to the ARN who would be engaged in servicing the investor OR switch to Direct Plan. The commission shall not be paid to the ARN holder if the Switch transaction does not happen, or fresh EUIN is not provided within 30 days. The commission may be paid if the fresh EUIN is provided by client within 30 days.
- For SIP & STP facilities, the ARN validity shall be verified / validated at the time of registration. For instances where the registration details not available in RTA records the transaction shall be treated as lumpsum purchase for validations.
- SIPs registered under ARN of deceased to continue till end of SIP registration period or investor's request as per AMFI guidelines; No fresh transactions or SIPs will be booked under the ARN of deceased MFD post cancellation of ARN at AMFI.
- Only Sub-distributor's ARN with valid "ARN-" values in the transaction will be considered for validation of Sub-distributor ARN for all types of transactions (lumpsum/SIP/STP).
- If the ARN is invalid as on date of SIP / STP registration, such registration and future transactions thereunder will be processed under DIRECT plan.
- Transactions other than the physical mode which are found to be not in order basis above matrix, will be rejected instead of processing in Direct plan.
- Transactions received from the stock exchange platforms in Demat mode with invalid ARN shall be rejected instead of processing in Direct Plan.
- IDCW reinvestment transactions, being a corporate action, will be excluded from the above validation.

"Invalid ARNs" shall include the following situations:

1. ARN validity period expired
2. ARN cancelled/terminated
3. ARN suspended
4. ARN Holder deceased
5. Nomenclature change, as required pursuant to IA Regulations, not complied by the MFD
6. MFD is debarred by SEBI
7. ARN not present in AMFI ARN database
8. ARN not empanelled with an AMC

VII. RIGHTS OF UNITHOLDERS OF THE INVESTMENT STRATEGY

1. Unit holders have a proportionate right in the beneficial ownership of the assets of the Investment Strategy.

2. When the Mutual Fund declares an Income Distribution cum Capital Withdrawal (IDCW)/dividend under a Scheme, the IDCW/dividend warrants shall be transferred/despatched to the Unitholders within 7 working days from the record date of such declaration of IDCW/dividend or such other timeline as may be prescribed by SEBI from time to time. In the event of failure to transfer/despatch IDCW/dividend within the stipulated period, the AMC shall be liable to pay interest @ 15% per annum on the delayed payment to the Unitholders for the delay in payment as computed from the Record Date or from such other date or for such period as may be advised by SEBI from time to time.

3. Consolidated Account Statement ('CAS') at SIF level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue a monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. If a Unit holder so desires the SIF shall issue a Unit certificate (non-transferable) within 5 Business Days of the receipt of request for the certificate.

4. Half-yearly CAS shall be issued to all investors providing the prescribed details across all Investment Strategies of mutual funds and securities held in dematerialized form across demat accounts, if applicable, at the end of every six months (i.e. September/March) on or before 18th day of succeeding month on registered email address and 21st day of succeeding month through physical copy for those who do not have registered email addresses. Half yearly CAS will not be sent to those Unit holders who do not have any holdings in the Investment Strategies of mutual fund and where no commission against their investment has been paid to distributors, during the concerned half-year period.

5. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. If a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non-transferable) within 5 Business Days of the receipt of request for the certificate.

6. As per SEBI (MF) Regulations, the Mutual Fund shall dispatch/transfer Redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. Provided that, processing of redemption(s) in the SIF Investment Strategies shall be subject to appropriate notice period(s), if any, as may be implemented by the AMC, based on structure of the Investment Strategy and the liquidity risk associated with it. Further, in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/35P/MEM-COR/74/2022-23 dated January 16, 2023, read with clause 15.3.3 of SEBI Master Circular, the AMC may not be able to adhere with the timelines prescribed above. The list of exceptional scenarios is available on the AMFI website. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid by the AMC for the period of delay in case the Redemption proceeds are not dispatch/transferred within the specified timeline.

7. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.

8. The appointment of the AMC for the SIF/Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the investment strategy.

9. 75% of the Unit holders can pass a resolution to wind- up an Investment strategy.

10. The Trustee shall obtain the consent of the Unit holders:
    - whenever required to do so by SEBI, in the interest of the Unit holders.
    - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Investment strategy.
    - when the majority of the trustees decide to wind up a Investment Strategy in terms of Regulation 36(2)(a) of MF Regulations or prematurely redeem the units of a close ended Investment Strategy.

11. The AMC shall ensure that no change in the fundamental attributes of any Investment Strategy, the fees and expenses payable or any other change which would modify the Investment Strategy and affect the interest of the unit holders is carried out by the asset management company, unless it complies with clause (c) of sub regulation (9) of regulation 22 of SEBI (MF) Regulations.

12. The AMC shall ensure that no change in the fundamental attributes of any Investment Strategy, fees and expenses payable or any other change that would modify the Investment Strategy and affect the interest of unit holders, shall be carried out unless:
    i. written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each unit holder;
    ii. details, as specified by SEBI, are appropriately displayed on the webpage of SIF; and
    iii. unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.

13. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

14. On acceptance of a valid application/transaction request for Purchase (including SIP instalments), Switch, Redemption, STP, SWP, IDCW/Dividend reinvestment, an allotment confirmation specifying the number of units allotted by way of email and/or SMS within 5 working days from the date of receipt of application/transaction request/closure of New Fund Offer (NFO) shall be sent to the Unit holders registered e-mail address and/or mobile number (whether units are held in demat mode or in account statement form).
    a. For Unitholders having any security in Dematerialised form and having Mutual Fund (MF) folios:
    i. The depositories shall dispatch the Securities Consolidated Account Statement (SCAS) within – 12 days from the month end where there are transactions either in MF or Demat account based on the data provided by MF Registrar & Transfer Agent (RTA) in respect of MF units;

    ii. In case of no transactions in either MF or Demat account, SCAS shall be sent on a Half-yearly basis showing the holding details by the Depositories.

15. In case of non-availability of PAN, AMC send monthly account statement for any financial transactions undertaken during the month on or before 10th day of the succeeding month by mail/email, if there are no transaction in the folio, Half Yearly Statement of holding are sent.

16. The Units of the Investment Strategies in Demat mode are freely transferable.

17. Units held in Statement of Account (SoA) mode may be transferred subject to prevailing AMFI/SEBI guidelines from time to time.

18. If an applicant desires to transfer Units held in physical mode for e.g. in statement of account form, the AMC shall, upon receipt of valid and complete request for transfer together with the relevant documents, register the transfer within 10 days. Provided that the transferor(s) and the transferee(s) will have to comply with the procedure for transfer as may be laid down by the AMC or as required under the prevailing law from time to time including payment of stamp duty for transfer of Units, etc. Units held in Demat mode are transferable in accordance with the provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

    For more details please refer to section 'Account Statements' in 'Investment Strategy Information Document' of respective Investment Strategies of HDFC Mutual Fund.

19. The first-named Unit holder shall receive the account statements, all notices and correspondence with respect to the Folio(s), as well as the proceeds of any Redemption requests or IDCW/dividend or other distributions. In addition, such holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines.

    - Unitholders will receive redemption proceeds directly into their bank account through various electronic payout modes such as Direct credit/ IMPS/NEFT/RTGS/NECS etc. Physical despatch of redemption proceeds shall be carried out only in exceptional circumstances.
    - Units will be redeemed on First In First Out (FIFO) basis at a folio level.
    - Redemption proceeds will be paid in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI).

20. Redemption will not be processed if PAN is not updated in non-PAN exempt folios. Redemption may also not be processed if KYC compliant status is not updated in the folio. For Units Held in Demat (electronic) form: Unitholders should submit their valid redemption request to their Depository Participant (DP). The redemption proceeds will be credited to the bank account of the Unitholder, as per the bank account details provided by the Depositories.

21. For Units Held in Account Statement (non-Demat) form: The Redemption/Switch-out request can be made by way of a written request on a pre-printed form or Transaction Slip, which should be submitted at/may be sent by mail to any of the Official Points of Acceptance. In case the Units are held in the names of more than one Unit holder, where mode of holding is specified as "Joint", Redemption requests will have to be signed by all the joint holders.

22. However, in cases of holding specified as 'Anyone or Survivor', any of the Unit holders will have the power to make Redemption request, without it being necessary for all the Unit holders to sign. However, in all cases, the Redemption proceeds will be paid only to the first named holder.

23. All Redemption/Switch-out would be permitted to the extent of credit balance in the Unit holder's account of the Plan(s)/ Option(s) of the Investment Strategy (subject to completion of Lock-in period or release of pledge/lien or other encumbrances). The Redemption/Switch-out request can be made by specifying the rupee amount or by specifying the number of Units of the respective Plan(s)/Option(s) to be redeemed. In case a Redemption/Switch-out request received is for both, a specified rupee amount and a specified number of Units of the respective Plan(s)/Option(s), the specified number of Units will be considered the definitive request. In case the value/number of available units held in the Unit holder's folio/account under the Plan/Option of the Investment Strategy is less than the amount/number of units specified in the redemption/switch-out request, then the transaction shall be treated as an 'all units' redemption and the entire balance of available Units in the folio/account of the Unit holder under the stated Plan/Option of the Investment Strategy shall be redeemed.

RIGHTS TO DIGITAL ACCESSIBILITY:
Unitholders with disabilities shall have the right to access the corporate website of the Investment Manager in accordance with the Rights of Persons with Disabilities Act, 2016 and SEBI guidelines issued from time to time. Further, such unitholder will be able to lodge accessibility related complaints on SEBI SCORES portal under the complaint category related to "Accessibility". In response to such complaints, the Investment Manager shall remediate the accessibility related issue for the closure of the complaint.

Redemption by NRIs/PIOs/OCIs/FPIs
Payment to NRI/PIOs/OCIs/FPI Unit holders will be subject to the relevant laws/guidelines of the RBI as are applicable from time to time (also subject to deduction of tax at source as applicable).

In the case of NRIs/PIOs/OCIs
i. Subject to RBI/FEMA Regulations, redemption proceeds may be:
ii. Credited to the Unitholder's NRO account, where the payment for the purchase of the Units redeemed was made out of funds held in NRO account; or

iii. Credited at the Unitholder's option to the NRE/FCNR/ NRO account, where the Units were purchased on repatriation basis and the payment for such purchase was made by inward remittance through normal banking channels or out of funds held in NRE/FCNR account of the Unitholder; or any other mode permitted under FEMA Regulations at the discretion of the AMC.

In the case of FPIs
The Fund will credit the net amount of redemption proceeds of such Units to the foreign currency account or Special Non-Resident Rupee Account of the FPI.

Change in Bank Account:
Change in Bank Account For investors holding units in Demat mode, the procedure for change in bank details would be as determined by the depository participant.
For investors holding units in non-Demat mode, the Unit holders may change their bank details registered with the Mutual Fund by submitting a standalone separate Change of Bank Details Form. In case a 'Change of Bank Details Form' is submitted, the following procedure needs to be adhered to:

1. Unit holders will be required to submit the duly filled in Change of Bank Details Form along with a cancelled original cheque leaf of the new bank account as well as the bank account currently registered with the Mutual Fund (where the account number and first unit holder name is printed on the face of the cheque). Unit holders should without fail cancel the cheque and write 'Cancelled' on the face of it to prevent any possible misuse.

2. Where such name is not printed on the original cheque, the Unit holder may submit a letter from the bank on its letterhead certifying that the Unit holder maintains/maintained an account with the bank, the bank account information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).

3. In case of non-availability of any of these documents, a self attested copy of the bank pass book or a statement of bank account with current entries not older than 3 months having the name and address of the first unit holder and account number.

Note: The above documents shall be submitted in Original. If copies are furnished, the same must be submitted at the ISCs where they will be verified with the original documents to the satisfaction of the Fund. The original documents will be returned across the counter to the Unit holder after due verification. In case the original of any document is not produced for verification, then the copies should be attested by the bank manager with his/her full signature, name, employee code, bank seal and contact number. In the event of a request for change in bank account information being

invalid/incomplete/not satisfactory in respect of signature mismatch/document insufficiency/ not meeting any requirements more specifically as indicated in clauses 1-3 above, the request for such change will not be processed. Redemptions/IDCW payments, if any, will be processed and the last registered bank account information will be used for such payments to Unit holders.

UNCLAIMED REDEMPTION AND IDCW AMOUNT

The unclaimed Redemption amount and IDCW amounts (the funds) are currently deployed by the Mutual Fund only in TREPS. However, the same may be deployed in other permissible instruments such as call money market or money market instruments or in a separate plan specifically launched under Overnight/Liquid/Money Market Mutual Fund schemes to deploy unclaimed Redemption and IDCW amounts. 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 AMC will make a continuous effort to remind the investors through letters to withdraw their unclaimed amounts. The details of such unclaimed redemption/IDCW amounts are made available to investors upon them providing proper credentials, on webpage of SIF and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms/documents required for the same.

Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts/Consolidated Account Statement sent to the investors. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points.

AMC shall transfer unclaimed redemption and dividend amount to Unclaimed Dividend & Redemption within 15 days from the end of 90 days after the date of issuance of instruments. AMC shall maintain separate schemes/plans for amount pending for less than 3 years and more than 3 years. On completion of 3 years, AMCs shall transfer units from 3 year plan to more than 3 years plan within 10 business days of the subsequent month. Income accrued daily on unclaimed amounts beyond 3 years shall be transferred to investor education scheme on a monthly basis.

Investors can trace their inactive and unclaimed Mutual Fund folios where no transaction/s (financial and non-financial) have taken place in the last 10 years but unit balance is available through MITRA (Mutual Fund Investment Tracing and Retrieval Assistant) service platform.

For further details, investors are requested to refer Investor Charter on webpage hsif.hdfcfund.com

INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

The Securities and Exchange Board of India (SEBI) has outlined investment valuation under SEBI (Mutual Funds) Regulations, 2026 ('MF Regulations'), as amended from time to time. The Investment Valuation Norms are prescribed in the Seventh Schedule of the MF Regulations and circulars / guidelines issued by SEBI from time to time (collectively referred to as "MF Regulations").

These principles of fair valuation, as specified in the Seventh Schedule, ensure fair treatment to all investors (including existing as well as new investors) seeking to purchase or redeem the units of the investment strategies at all points of time. In the event of any conflict between the principles of fair valuation and valuation guidelines prescribed by SEBI under the MF Regulations, the principles of fair valuation shall prevail.

The investment valuation policy and procedures set out in this Policy shall also apply to all investment strategies launched under H-SIF from time to time, in accordance with the applicable regulatory requirements. In the event of any inconsistency or conflict between the Policy and the regulatory framework, circulars, guidelines, or directions issued by SEBI in relation to Specialized Investment Funds under the SEBI (Mutual Funds) Regulations, 2026, from time to time, the requirements prescribed by SEBI shall prevail to the extent of such inconsistency or conflict.

Accordingly, the disclosure inter-alia of the security/asset-wise valuation policy, procedure & methodology for each type of investment made by the Investment Strategies launched under the H-SIF is given below:

1. Principles, Policy, Procedure & Methodology for valuation of securities/assets

i. HDFC AMC shall adopt the principle of fair valuation i.e. valuation will done be in good faith and in true and fair manner to reflect the net realizable value of the securities/asset as determined by Valuation Committee. This principle will be adopted by AMC even during exceptional events specified under Point no. 3 below.

ii. The detailed security/asset-wise valuation policy, procedure & methodology for each type of investment made by the Investment Strategies of H-SIF is described in the appended table.

iii. The valuation methodologies for any investments in new securities/assets (other than those mentioned in the appended table) shall be approved by the Boards of HDFC AMC and Trustee.

iv. The investments held by Investment Strategies of H-SIF would normally be valued according to the Valuation Guidelines specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation as detailed under point (i) above and valuation guidelines specified by SEBI from time to time, the Principles of Fair Valuation shall prevail.

v. For securities/assets purchased by the Investment Strategies of H-SIF do not fall within the current framework of the valuation of securities/assets under the Policy, the AMC shall immediately report to AMFI regarding the same, if required.

2. Inter-investment Strategy Transfers:

Inter-investment Strategy transfers will be done in line with regulatory requirements and applicable internal policies as determined by the Valuation committee.

Presently, the Policy on Inter-investment Strategy transfer(s) is as under:

Policy on Inter-investment Strategy transfer(s)(IIST):

Security Type	Inter-investment Strategy Policy
Listed Equity Shares	Inter-investment strategy to be done on latest quote for a particular security on Bloomberg, Reuters, etc.
Debt & Money Market Securities (Government Securities/ Treasury bills/ commercial Paper/ Certificate of Deposit/Bonds/ Zero coupon Bonds/Bills/ Floating rate securities/ Securitization, etc.)	i. IIST of Securities will be done as per the average prices provided by AMFI approved agencies currently CRISIL & ICRA. ii. If prices from the valuation agencies are received within the pre-agreed TAT as per AMFI, an average of the prices so received shall be used for IIST pricing. iii. If price from only one valuation agency is received, that price may be used for IIST pricing. iv. If prices are not received from any of the valuation agencies, AMC may determine the price for the IIST, in accordance with the SEBI Master Circular for Mutual Funds and/or guidelines issued by SEBI from time to time.

The Inter-investment Strategy transfer(s) will be undertaken as per the AMC's internal process, procedure & methodology.

3. **Exceptional events:**
Given the exceptional nature of the events, it is not possible to detemine a standard methodology to be adopted for fair valuation of securities for such events. The Valuation Committee shall identify and monitor the exceptional events and recommend appropriate procedures/methodologies for the securities/assets. The same shall subsequently/ suitably be reported to the Boards of HDFC AMC and Trustee, and placed for their ratification.

The exceptional events where current market information may not be available/sufficient for valuation of securities are classified as under:

i. Policy announcements by the Reserve Bank of India (RBI), the Government or any regulatory body like (SEBI/IRDA/PFRDA) including the monetary policy, budget or other regulatory related events.
ii. Natural disasters or public disturbances or emergency situations resulting from geopolitical tensions, war conflicts, and other related crises, that may impact the functioning of the capital markets.
iii. Absence of trading in a specific security or similar securities.
iv. Sufficient market information may not be available for the Valuation of Securities.
v. Valuation Agencies do not provide Valuation for Securities.
vi. Significant volatility in the capital markets.
vii. Deviation from the indicative haircuts and/or the valuation price.
viii. Other external factors which may be determined by the Valuation Committee from time to time.

Note:
1. Any change/modification to the above list of exceptional events shall be updated from time to time.
2. The Valuation Committee shall identify and monitor the exceptional events and recommend appropriate procedures/methodologies with necessary guidance from the Board of HDFC AMC and Trustee, wherever required, and get the same ratified subsequently.
3. To ensure fair valuation, Fund Managers may propose an illiquidity discount, in case required. Such illiquidity discounts shall be subject to prior approval of the Valuation Committee.

4. **Deviation:**
Deviation in the valuation policy and procedures shall be allowed only with the prior approval of the Valuation committee followed by reporting to the Board of HDFC AMC and Trustee.
Such deviations shall be appropriately disclosed to the Investors on the webpage and/or any other means of communication as may be decided by the AMC.

5. **Record Maintenance:** HDFC AMC shall maintain and preserve documentation for valuation (including inter-investment Strategy transfers) either in electronic or physical form for a period of 8 years or such period as specified by SEBI from time to time.

6. **Disclosure:** In order to ensure transparency of valuation norms adopted by HDFC AMC, the investment valuation policy and procedures as adopted by HDFC AMC is disclosed on the webpage.

Detailed security/asset-wise valuation policy, procedure & methodology for Investments made by the H-SIF:

The valuation policy, procedure & methodology adopted by the Investment Manager for investments in securities/assets made by the Investment Strategies is as under:

I. Equity & Equity Related Instruments

Security Type	Valuation Policy
Listed Shares / Partly-Paid Shares/ Warrants	Valuation will be at the closing market price of the principal stock exchange. The National Stock Exchange of India Limited ('NSE') is designated as the principal stock exchange for the purpose of valuation of securities. If security is not traded on principal stock exchange on a particular valuation day, the closing market price at which it is traded on any other stock exchange will be used. If security is not traded on any stock exchange on a particular valuation day, then price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Thinly Traded / Non-Traded Equity Shares/ Partly Paid Shares	Thinly traded/Non-Traded /Partly Paid shares will be valued at fair value as per procedures* determined by the Valuation Committee. Non-Traded equity shares are equity shares which are not traded on any recognized stock exchange for a period of thirty days prior to the valuation date. Thinly traded equity shares are equity shares for which the value of the trades of that security in a month is less than Rs. 5 lacs by value and the total volume of the trades in that security is less than 50,000 shares. In order to determine whether a security is thinly traded, the volumes traded in NSE and BSE shall be considered.
Initial Public Offering including Anchor Investments in Equity Shares (awaiting listing)	Initial Public Offering including Anchor investments prior to allotment shall be valued at bid price. Qualified Institutional Placement (QIP) / Follow on Public Offer (FPO) shall be valued at bid price or market price, whichever is lesser. Equity shares allotted in Initial Public offerings shall be valued at allotment price till listing.
Equity & Equity related securities under lock-in excluding Anchor investments	Equity and Equity related securities under lock-in (excluding Anchor Investments) will be valued after applying suitable discount approved by Valuation Committee to the closing market price of the security.
Unlisted Shares / Pre-IPO to be listed Shares/ Warrants/ Rights	Securities will be valued at fair value as per procedures* determined by the Valuation Committee.
Options	Valuation of Options contract at the day end settlement price on the NSE.
Futures	Valuation of futures contract at the day end settlement price on the NSE.
Compulsory Convertible Debentures (CCDs)	Valuation will be at the closing market price of the principal stock exchange. The National Stock Exchange of India Limited ('NSE') is

Security Type	Valuation Policy
	designated as the principal stock exchange for the purpose of valuation of securities. If security is not traded on principal stock exchange on a particular valuation day, the closing market price at which it is traded on any other stock exchange will be used. If security is not traded on any stock exchange on a particular valuation day and the prices from AMFI approved valuation agencies are available, then the average prices provided by AMFI approved agencies will be used. In case the securities do not get traded for a period of 30 days or prices of AMFI approved agencies are not available, CCDs will be valued at fair value as per procedures* determined by the Valuation Committee.
Preference Shares	**Listed (Convertible / Non-Convertible)** Valuation will be at the closing market price of the principal stock exchange. The National Stock Exchange of India Limited ('NSE') is designated as the principal stock exchange for the purpose of valuation of securities. If security is not traded on principal stock exchange on a particular valuation day, the closing market price at which it is traded on any other stock exchange will be used. If security is not traded on any stock exchange on a particular valuation day, then price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date. If preference shares are not traded for more than 30 days on any stock exchange and the valuation agencies i.e. CRISIL & ICRA have agreed to provide the valuation price, then it will be valued at average of the price provided valuation agencies until it gets traded. **Unlisted (Convertible / Non-Convertible)** If prices are provided by AMFI approved valuation agencies i.e. CRISIL & ICRA then the valuation shall be based on the average of prices provided by agencies. In instances where either or both agencies do not provide prices, the Valuation Committee will determine the valuation If prices are not provided by valuation agencies: ➢ Non-convertible preference share will be valued at the present value of all the future expected dividend payments and the maturity value, discounted at the expected return on preference share. ➢ Convertible preference share shall be valued as per below formula Price of convertible Preference Share = Preference shares dividend / Expected return on Preference Share X Face Value

Security Type	Valuation Policy
	From Ex-date till the date of allotment preference shares will be valued at face value of the security.

***Procedure & Methodology for valuation of unlisted or pre-IPO to be listed or thinly traded/non-traded equity/partly-paid up equity/ equity related securities**

i) **Equity Shares** - Valuation will be computed on the basis of average of the book value and price computed by capitalisation of earning method. For the purpose of capitalisation of earning method, Industry Price / Earnings ratio will be considered which will be adjusted for liquidity.

Where the unlisted equity shares are acquired as result of corporate actions like demerger/amalgamation, the unlisted equity shares will be valued at the intrinsic value on the ex-date as follows:

A. The intrinsic value for new entity resulting out of corporate actions where financial statements are available will be valued on the basis of average of the book value and price computed by capitalisation of earning method.

B. The intrinsic value for new entity resulting out of corporate action where financial statements are not available will be valued as per differential pricing method after applying appropriate illiquidity discount as determined by valuation committee.

Example 1: If AB company gets demerged in to A Company & B Company and the new company B is not a listed company. The value of B Company is proposed to be arrived as follows:

Market Value of AB Company (Pre-Merger closing market price)	(X)	Rs.250/-
Market Value of A Company (Post-Merger closing market Price)	(Y)	Rs.150/-
Valuation of B Company as per differential pricing method	(X – Y)	Rs.100/-
Illiquidity Discount (20%)		Rs.20/-
Valuation of B Company (After illiquidity discount)		Rs.80/-

Example 2: IF AB company gets demerged in to A Company and B company and the new company B is not a listed company. There is a special pre-open session (SPOS) conducted by exchanges (NSE and/or BSE) as per NSE Press Release Dated 26th April, 2023, to derive the price of demerged company A on ex-demerger date.

Market Value of AB Company (Pre-Merger closing market price)	(X)	Rs.250/-
Market Value of A Company (As per SPOS conducted on Ex-date)	(Y)	Rs 150/-
Valuation of B Company as per differential pricing method	(X)-(Y)	Rs 100/-
Illiquidity Discount	Rs Nil	
Valuation of B Company (After Illiquidity discount)		Rs 100/-

Illiquidity discount may be applied in cases where special pre-open session (SPOS) is conducted by exchanges where the unlisted resultant demerged entity Company B is not part of any indices.

The intrinsic value so arrived will be periodically reviewed by Valuation Committee till listing of such shares.

ii) **Pre-IPO to be listed Equity Shares** Where investment is made in equity shares as part of pre-IPO transaction such shares which are to be listed will be valued at the price at which they are purchased less suitable illiquidity discount for pending listing and / or lock in period, if any.

iii) **Partly Paid Shares:** Non-traded /Thinly traded / suspended for trading partly-paid equity shares shall be valued at the latest price of partly equity shares. The price may continue for a period of thirty days.

In the event the last quoted closing price is more than 30 days prior to the valuation date, the partly paid-up equity shares shall be valued at value of the underlying fully paid-up equity shares as reduced by the amount of balance call money payable on partly paid-up equity shares.
Unlisted (Acquired by corporate action) partly paid-up equity shares, shall be valued at value of the underlying fully paid-up equity shares as reduced by the amount of balance call money payable on partly paid-up equity shares.
Suitable illiquidity discount, if deemed necessary, shall be applied with approval from the Valuation Committee.

iv) **Warrants** - Warrants will be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. The value arrived will be reduced by appropriate discount as decided by Valuation Committee.

v) **Right entitlements** - Right entitlements if traded will be valued at the closing market price on Principal stock exchange (NSE). If the entitlements are not traded on NSE but are traded on any other stock exchange the closing market price of the exchange where it traded will be considered for valuation.

Non-traded rights entitlement will be valued as difference between the ex-rights price of the underlying equity share (determined as per valuation policy) and the rights offer price.
In case the rights offer price is greater than the ex-rights price, the value of the rights share is to be taken as zero.

***Procedure & Methodology for valuation of CCDs**
i) Each CCD shall be converted into such number of Equity Shares based on the conversion price arrived in accordance with the offer documents.
ii) In case the CCD has two components viz. one component having bond carrying a coupon rate and second component having an embedded forward contract for compulsory conversion into equity, at a pre-determine formula, linked to the underlying price of the stock on the exchange, the valuation derived would be a summation of the bond valuation and the Net present value (NPV) of the gain / loss on the embedded forward contract for conversion into equity shares.
iii) Valuation of bonds: The same will be valued as per the prices provided by AMFI approved agencies.
iv) Valuation of embedded forward contract for equity conversion: The embedded forward contract has three elements – time value, price movement of the underlying stock and illiquidity risk. The time value (NPV) is the discounting factor, as derived from the bond valuations (from AMFI valuation agencies).
v) In case the conversion is scheduled after completion of specified period/years as mentioned in the offer documents, the value arrived will be reduced by appropriate illiquidity discount on the gain, if any, as may be specified by SEBI under the applicable guidelines or as may be decided by Valuation Committee.
vi) The Valuation Committee may exercise its discretion to value the security at a conservative value i.e. at cost or as per the above methodology whichever is lower.

II. Debt & Debt Related Instruments

Security Type	Valuation Policy
Government Securities (including Treasury Bills and	Government Securities (including Treasury Bills) will be valued at average of the prices provided by AMFI approved agencies (currently CRISIL and ICRA).

Security Type	Valuation Policy
Separate Trading of Registered Interest and Principal Securities (STRIPs))	
Debt Securities/ Instruments (Commercial Paper/ Certificate of Deposit / Bonds/Zero Coupon Bonds/ Bills /Floating rate securities/Securitization, Partly Paid Debentures etc.)	Debt & Money Market securities will be valued at the average prices provided by AMFI approved agencies. **(Refer Note 2 below)** In case of price being available from **only one agency**, the same will be considered for valuation. In case of non-availability of prices from AMFI approved agencies- • Traded (Own) securities will be valued at weighted average traded price /yield on the date of trade. **(Refer Note 1 below)** • Non-traded securities will be at the fair value as per procedures determined by the Valuation Committee.
Money Market and Debt Securities/Instruments rated below investment grade	All money market and debt securities/instruments which are rated below investment grade *("if the long term rating of the security is below BBB- and if the short term rating of the security is below A3"*) shall be valued at the prices/ basis the indicative haircut(s) provided by valuation agencies (currently CRISIL/ICRA). **(Refer Note 3 and 4 below)**
Interest Rate SWAP (IRS)/ Forward Rate Agreements (FRA's)	All OTC derivatives viz. IRS/ FRA's will be valued at the average prices provided by AMFI approved agencies *(currently CRISIL and ICRA)*.
Reverse Repo/TREPS	Reverse Repo (Including Corporate Bond Reverse Repo) / Tri-Party Repo i.e. TREPS, including overnight Reverse Repo or TREPS, shall be valued at the average prices provided by AMFI approved agencies (Currently CRISIL and ICRA) AMFI Best Practices circular SEBI/HO/IMD/IMD-I PoD-1/P/CIR/2024/163. In case prices are not available then the same shall be valued at cost plus accrual basis.
Investments in short-term deposits with banks	Investments in short-term deposits with banks (pending deployment) will be valued at cost plus the accrual

Notes:

1) In case security level prices given by valuation agencies are not available for a new security (*which is currently not held by any Mutual Fund or SIF)* then such security may be valued at weighted average purchase yield/price basis on the date of allotment / purchase.

2) AMFI approved agencies (currently CRISIL and ICRA) are considering the trades reported at all public platform viz. FIMDDA/NDS-OM/NSE/BSE for determining the prices for debt securities

3) All money market and debt securities/instruments which are rated below investment grade, shall be valued as under:

a) To be valued on the basis of valuation price for such securities provided by CRISIL and ICRA / or any other AMFI appointed agency (ies);

b) Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade or default, such securities shall be valued on the basis of indicative haircuts provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade or default and shall continue till the valuation agencies compute the valuation price of such securities. Further, these haircuts shall be updated and refined, as and when there is

availability of material information which impacts the haircuts. (*Refer* **Annexure IV** *for indicative haircut provided by AMFI*)

c) Consideration of traded price for valuation:

- In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, AMC shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.
- In case of trades after the valuation price is computed by the valuation agencies as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.
- The trades referred above shall be of a minimum size as defined in note 6(A)(i).

d) The AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities/instruments rated below investment grade provided by the AMFI approved agencies by recording detailed rationale for such deviation with the approval of Valuation Committee. The AMC shall follow the procedure as mentioned in Master Circular for Mutual Funds and other applicable guidelines as may be issued by SEBI from time to time.

e) Treatment of outstanding accrued interest on the date of downgrade and subsequent accrual of interest is as follows:

- The indicative haircut applied on the principal outstanding should be applied to outstanding accrued interest on the date of downgrade.
- In case of securities classified as below investment grade but not as default, interest accrual may continue with the same haircut applied to the principal.
- In case of securities classified as default, no further interest will be accrued.

f) Treatment of any future recovery in terms of principal or interest:

- Any recovery shall first be adjusted against the outstanding accrued interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.
- Any recovery in excess of above value (i.e. the value recognized in NAV) should then be applied first towards any amount of interest written off and then towards amount of principal written off.

4. Deviation from Prices provided by valuation agencies

(i) In case for any security wherein only one of the AMFI approved agency has provided the price, the same will be considered for valuation of the security.

(ii) In case the valuation committee is of the opinion that the price feeds provided by AMFI appointed agencies are not provided or prices are not reflective of fair value/ realizable value of the security, the same shall be valued on the basis of guidelines provided by the valuation committee. In approving such valuations, the valuation committee shall follow the principles of fair valuation and provide suitable justification for the same.

(iii) The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees. The rationale shall also be disclosed immediately and prominently, under a separate head on the webpage of SIF.

5) Segregated Portfolio valuation:

Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Master Circular for Mutual Funds on “Segregated portfolio in SIF Investment Strategies”, the valuation should consider the credit event and value the portfolio based on the

principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 2026 and Master Circular for Mutual Funds issued thereunder. In case of AT-1 Bonds) and Tier 2 Bonds, the financial stress of the issuer and the capabilities of issuer to repay the dues/borrowings are considered in the valuation of the securities from the trigger date onwards i.e. date on which the instrument is to be written off or converted to equity pursuant to any proposal or otherwise.

Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.

6) Guidelines for valuation of Debt & Debt Related Instruments:

All Debt & Debt related Instruments are valued based on AMFI and SEBI Master Circulars/circulars/ guidelines, by the independent valuation agencies nominated by AMFI for determining valuation for such securities

A. Definition of non-traded, thinly traded and traded money market / debt security:

(i) Traded and non-traded money market and debt securities shall be defined as follows:

A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognized stock exchanges or The Clearing Corporation of India Ltd. (CCIL).

Marketable lot defined by AMFI in consultation with SEBI is as under: -

The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume of Criteria for marketable lot
Primary	INR 25 cr for both/ NCD/ CP/ CD and any other money market instruments
Secondary	INR 25 cr for CP/CD, T-Bills and any other money market instruments
Secondary	INR 5 cr for Bonds/ NCD/ G-Secs

(ii) A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on any of the aforementioned trade reporting platforms.

B. Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

i) Securities with Call Option:

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

ii) Securities with Put Option:

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instrument.

iii) Securities with both Put and Call Option:
Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

a) Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.

b) Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.

c) In case no Put Trigger Date or Call Trigger Date ('Trigger Date") is available, then the valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date.

In case both Trigger Dates are available, then valuation would be done to the earliest date.

iv) If a put option is not exercised by a Mutual Fund/SIF when exercising such put option would have been in favour of the investment strategy, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.

v) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

C) Treatment of Upfront Fees on Trades:
i) Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.

ii) Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.

iii) For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the investment strategy that made the investment.

iv) In case upfront fees are received across multiple investment strategies, then such upfront fees should be shared on a pro-rata basis across such investment strategies.

D. Impact of any Changes to terms of an investment:
(i) While making any change to terms of an investment, AMC shall adhere to the following conditions:

(a) Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.
(b) Any extension in the maturity of a money market or debt security shall result in the security being treated as "Default", for the purpose of valuation.
(c) If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as "Default" for the purpose of valuation.
(d) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

E. Waterfall mechanism for valuation of money market and debt securities to the used by the valuation agencies:

(i) For arriving at security level pricing, a waterfall mechanism to be used by valuation agencies as provided by AMFI in consultation with SEBI (*refer* **Annexure V**).

(ii) Guidelines issued by AMFI on polling by valuation agencies and on the responsibilities of Mutual Funds in the polling process, as part of the aforesaid waterfall approach is attached at (*refer* **Annexure VI**).

F. Valuation of Bonds issued under Basel III framework as per SEBI Master Circular for Mutual Funds and AMFI Best Practices circular 135/BP/ 91 /2020-21 dated March 24, 2021. Relevant extract of AMFI Best Practices is being reproduced in (**Annexure VII**).

G. Valuation of partly paid debentures (PPDs) shall **be done as per** AMFI Best Practices circular 135/BP/ 115 /2024-25, read with any amendments/clarifications issued from time to time. The valuation of partly paid debentures shall be done on face value of Rs.100 when it is fully paid. If it is partly-paid, valuation shall be done on actual paid up value as on particular valuation date.

Following two types of PPD's are available in the market:
Type I: Where pay-in dates and pay-in values are clearly defined – In such case future pay-ins are plotted as per details available in term sheet. (Mutual Funds cannot buy these PPDs as per the AMFI Best Practices Guidelines circular no. 83 dt. 18-Nov-2019)

Type II: Pay in dates and pay in values are not clearly defined or are linked to occurrence of some event or is optional linked to on demand from issuer/investor for making such pay-ins – In such case, since pay-in dates/pay-in values can't be estimated, such future pay-ins are factored on actual basis on receipt of information.
Yields for valuation shall be derived on a daily basis using the standard waterfall approach **(Refer Annexure V)** prescribed for valuation of money market, debt and government securities.

Others

Security/ Asset Type	**Valuation Policy**
Listed Domestic Mutual Fund Units	Valuation will be at the closing market price at the principal stock exchange. If units are not traded on principal stock exchange on a particular valuation day, the closing market price on any other stock exchange where units are traded will be used. If units are not traded on any stock exchange on a particular valuation day, then closing market price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.
Unlisted/ Non-Traded Domestic Mutual Fund Units	Valuation will based be on latest Net Asset Value (NAV) of Mutual Fund units.
Fixed Deposits	Fixed deposits will be valued at cost.
Listed Foreign Securities (including ADR/GDR and Overseas Mutual Fund Units)	**(i) Traded Securities** Traded foreign securities (including ADR/GDR and units of overseas mutual funds) shall be valued based on the closing market price of the security as on the valuation date of the stock exchange on which the security is listed. If the security is listed on more than one stock exchange, the AMC shall select the appropriate stock exchange and the

Security/ Asset Type	Valuation Policy
[refer note below]	reasons for selection of the stock exchange shall be recorded in writing and approved by Valuation Committee. When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange or last available price on the selected stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. **(ii) Listed Overseas Exchange Traded Fund** Exchange Traded Fund units shall be valued based on the closing price of the security as on the valuation date of the stock exchange on which the respective Overseas ETF is listed. In case an Overseas ETF is listed on more than one stock exchange, the AMC shall select the appropriate stock exchange and the reasons for selection of the stock exchange shall be recorded in writing and approved by Valuation Committee. Any subsequent change in the stock exchange selected for valuation of Overseas ETF will also be recorded in writing and approved by Valuation Committee. When on a particular valuation day, if the latest available closing price is not available for units of Overseas ETF on the selected stock exchange then value at which such units are traded on another stock exchange or last available price on the selected stock exchange, shall be used provided such date is not more than thirty days prior to the valuation date. On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the FBIL reference rate as at the close of banking hours on the relevant business day in India. If the security is listed in currency for which FBIL reference rate is not available, the exchange rates available from Reuters will be used. In case the direct exchange rates are not available on Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD FBIL reference rate. If required, the AMC may change the source of determining the exchange rate. **(iii) Non-Traded Securities** Non-traded foreign security shall be valued by AMC at fair value after considering relevant factors on case to case basis. Non-traded ADR/ GDR shall be valued after considering prices/issue terms of underlying security. Valuation committee shall decide the appropriate discount for illiquidity.
Units of Unlisted overseas Mutual Funds	Valuation will based be on Net Asset Value (NAV) of Mutual Fund units on the valuation date. On valuation date, all NAV's in foreign currency shall be valued in Indian Rupees at the FBIL reference rate as at the close of banking hours on the relevant business day in India.

Security/ Asset Type	Valuation Policy
	If the Units NAV is quoted in currency for which FBIL reference rate is not available, the exchange rates available from Reuters will be used. In case the direct exchange rates are not available on Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD FBIL reference rate.
Units of REITs / InvITs (Listed/ Unlisted/ Public / Private etc)	**Allotted but Listing awaited** The units of REITs and InvITs post allotment (awaiting listing) will be valued at allotment price. **Listed Units of REITs / InvITs** The valuation of units of Listed REITs/InvITs will be determined in accordance with the priority order outlined below: 1. **Traded:** The units of REITs/InvITs will be valued at the closing market price at the principal stock exchange. The designated principal stock exchange for the Valuation Policy is National Stock Exchange (NSE) or as may be approved by Valuation Committee from time to time. If units are not traded on principal stock exchange on a particular valuation day, the closing market price on any other stock exchange where units are traded will be used. 2. **Non-Traded:** If units are not traded on any stock exchange on a particular valuation day, then the latest available closing market price at which it was traded on any other stock exchange will be used for valuation, provided that such date is not more than thirty days prior to the valuation date. However, if the investment manager of a REITs / InvITs declares a NAV for valuation after the last traded date (which falls within the 30-day period preceding the valuation date), and the NAV also falls within the same 30-day period preceding the valuation date, then the NAV will be considered valuation. Further, in absence of any trade or declared NAV in the thirty days prior to valuation, the last declared NAV by the investment manager of REITs / InvITs shall be used for valuation purposes (provided that the date of NAV declaration does not exceed six months prior to the valuation date). 3. Where the NAV for units of REITs/ InvITs is not available or is exceeding period of 6 months as stated above, the valuation will be determined by the Valuation Committee based on the principles of fair valuation. **Unlisted Units of REITs / InvITs** Units of Unlisted REITs / InvITs will be valued as per the below mentioned priority order: 1. The last declared NAV by the investment manager of REITs / InvITs shall be used for valuation purposes (provided that the date of NAV declaration does not exceed six months prior to the valuation date). 2. Where the NAV for units of REITs/InvITs is not available or is exceeding period of 6 months as stated above, the valuation will be determined by the Valuation Committee based on the principles of fair valuation.

Annexure II

Policy on Inter-investment Strategy transfer(s):

Security Type	Inter-investment Strategy Policy
Listed Equity Shares	Inter-investment strategy to be done on latest quote for a particular security on Bloomberg, Reuters, etc.
Debt & Money Market Securities (Government Securities/ Treasury bills/ Commercial Paper/ Certificate of Deposit / Bonds/Zero Coupon Bonds/ Bills/Floating rate securities/Securitization, etc.)	i. IIST of Securities will be done as per the average prices provided by AMFI approved agencies currently CRISIL & ICRA. ii. If prices from the valuation agencies are received within the pre-agreed TAT as per AMFI, an average of the prices so received shall be used for IIST pricing. iii. If price from only one valuation agency is received, that price may be used for IIST pricing. iv. If prices are not received from any of the valuation agencies, AMC may determine the price for the IIST, in accordance with the SEBI Master Circular for Mutual Funds and/or guidelines issued by SEBI from time to time.

The Inter-investment strategy transfer(s) will be undertaken as per the AMC's internal process, procedure & methodology.

Annexure III

The illustrative list of exceptional events is provided as under:

The Exceptional events where current market information may not be available / sufficient for valuation of securities are classified as under:

a. Policy announcements by the Reserve Bank of India (RBI), the Government, any Regulatory body like (SEBI/IRDA/PFRDA) including the monetary policy, budget or other regulatory related events.
b. Natural disasters or public disturbances or emergency situations resulting from geopolitical tensions, war conflicts, and other related crises, that may impact the functioning of the capital markets.
c. Absence of trading in a specific security or similar securities.
d. Sufficient market information may not be available for the Valuation of Securities.
e. Valuation Agencies do not provide Valuation for Securities.
f. Significant volatility in the capital markets/forex.
g. Deviation from the indicative haircuts and/or the valuation price
h. Other external factors which may be determined by the Valuation Committee from time to time

Note:

1. Any change/modification to the above list of exceptional events shall be updated from time to time.

2. Considering the exceptional nature of events, it is not possible to cover all the potential exceptional events above and to determine a standard methodology to be adopted for fair valuation of securities for such events. The Valuation Committee shall identify and monitor the exceptional events and recommend appropriate procedures/methodologies with necessary guidance from the Board of HDFC AMC and Trustee, wherever required, and get the same ratified subsequently.

3. To ensure fair valuation, Fund Managers may propose an illiquidity discount, in case required. Such illiquidity discounts shall be subject to prior approval of the Valuation Committee.

Annexure IV

Indicative Haircut for below investment grade securities:

Haircuts for senior, secured securities

Rating/sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewellery and Others
BB	15%	20%	25%
B	25%	40%	50%
C	35%	55%	70%
D	50%	75%	100%

Haircuts on subordinated and unsecured (or both) securities

Rating/sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewellery and Others
BB	25%	25%	25%
B	50%	50%	50%
C	70%	70%	70%
D	100%	100%	100%

Annexure V

Waterfall Mechanism for valuation of money market, debt and government securities:

SEBI Master Circular for Mutual Funds provides for broad principles for considering the traded yields for valuation of Debt, money market and government securities. The said circular prescribes AMFI shall ensure valuation agencies have a documented waterfall approach for valuation of Debt & money market securities.
The extract from AMFI best practices circular (135/BP/83/2019-20) dated November 18, 2019 pertaining to the waterfall mechanism is as under:

Part A: Valuation of Money Market and Debt Securities other than Government Securities ("G-Secs"):

1. Waterfall Mechanism for valuation of money market and debt securities:

The following shall be the broad sequence of the waterfall for valuation of money market and debt securities:

i. Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building or fixed price) and secondary trades in the same ISIN;

ii. VWAY of primary issuances through book building of same issuer, similar maturity (***Refer Note 1 below***);

iii. VWAY of secondary trades of same issuer, similar maturity;

iv. VWAY of primary issuances through fixed price auction of same issuer, similar maturity;

v. VWAY of primary issuances through book building of similar issuer, similar maturity ***(Refer Note 1 below)****;*

vi. VWAY of secondary trades of similar issuer, similar maturity;

vii. VWAY of primary issuance through fixed price auction of similar issuer, similar maturity;
viii. Construction of matrix (polling may also be used for matrix construction);

ix. In case of exceptional circumstances, polling for security level valuation ***(Refer Note 2 below)***

Note 1
Except for primary issuance through book building, polling shall be conducted to identify outlier trades. However, in case of any issuance through book building which is less than INR 100 Cr, polling shall be conducted to identify outlier trades.

Note 2
Some examples of exceptional circumstance would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach in last 6 months.

Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMCs. Further, a record of all such instances shall be maintained by AMCs and shall be subject to verification during SEBI inspections.

Note 3
All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Inter-investment strategies transfers) should be considered for valuation on that day.

Note 4
It is understood that there are certain exceptional events, occurrence of which during market hours may lead to significant change in the yield of the debt securities. Hence, such exceptional events need to be factored in while calculating the price of the securities. Thus, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:
i. Monetary/Credit Policy
ii. Union Budget
iii. Government Borrowing/ Auction Days
iv. Material Statements on Sovereign Rating
v. Issuer or Sector Specific events which have a material impact on yields
vi. Central Government Election Days
vii. Quarter end days
viii.

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

2. Definition of tenure buckets for Similar Maturity
When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same issuer or a similar issuer, where the residual tenure matches the tenure of the bond to be priced. However, as it may not be possible to match the exact tenure, it is proposed that tenure buckets are created and trades falling within such similar maturity be used as per table below.

Residual Tenure of Bond to be priced	Criteria for similar maturity
Upto 1 month	Calendar Weekly Bucket
Greater than 1 month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1 year	Calendar Monthly Bucket
Greater than 1 year to 3 years	Calendar Quarterly Bucket
Greater than 3 years	Calendar Half Yearly or Greater Bucket

In addition to the above:

a. In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Some examples of market events / nuances include cases where traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket, similarly for less than 30 days and more than 30 days or cases where yields for the last week v/s second last week of certain months such as calendar quarter ends can differ.

b. In the case of illiquid/ semi liquid bonds, it is proposed that traded spreads be permitted to be used for longer maturity buckets (1 year and above). However, the yield should be adjusted to account for steepness of the yield curve across maturities.

c. The changes / deviations mentioned in clauses (a) and (b) above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

3. Process for determination of similar issuer

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer do not always refer to issuers which trade at same yields, but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

i. Issuers within same sector/industry and/or
ii. Issuers within same rating band and/or
iii. Issuers with same parent/ within same group and/or
iv. Issuers with debt securities having same guarantors and/or
v. Issuers with securities having similar terms like Loan Against Shares (LAS)/ Loan Against Property (LAP)

The above criteria are stated as principles and the final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

4. Recognition of trades and outlier criteria

i. Volume criteria for recognition of trades (marketable lot)

SEBI Master Circular for Mutual Funds on Valuation of money market and debt securities, prescribes that the marketable lots shall be defined by AMFI, in consultation with SEBI. In this regard, marketable lot is defined as under. The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume Criteria for marketable lot
Primary	INR 25 cr for both Bonds/NCD/CP/ CD and other money market instruments
Secondary	INR 25 cr for CP/ CD, T-Bills and other money market instruments
Secondary	INR 5 Cr for Bonds/NCD/ G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored.

ii. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

a. Outlier trades shall be classified on the basis of liquidity buckets (Liquid, Semi-liquid, Illiquid). Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.

b. The outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of the matrix. Relative movement ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.

c. Potential outlier trades which are identified through objective criteria defined below will be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.

d. The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity Classification	Bps Criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)		
	Upto 15 days	15-30 days	Greater than 30 days
Liquid	30 bps	20 bps	10 bps
Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70 bps	50 bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI.

e. In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

Liquidity classification criteria — Liquid, semi-liquid and Illiquid definition

Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-Liquid and illiquid basis the following two criteria

a. Trading Volume
b. Spread over reference yield

Such criteria shall be reviewed on periodic basis in consultation with AMFI.

Trading Volume (Traded days) based criteria:

Number of unique days an issuer trades in the secondary market or issues a new security in the primary market in a calendar quarter

- Liquid = 50% of trade days
- Semi liquid = 10% to 50% trade days

- Illiquid = <10 % of trade days

Spread based criteria:

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid.

Type of security	Spread for Liquid	Spread for Semi Liquid	Spread for Illiquid	Spread computation
Bonds	Upto 15 Bps	>15 - 75 Bps	> 75 Bps	Note 1
CP / CD	Upto 25 Bps	>25 - 50 Bps	> 50 Bps	Note 2

Note 1: spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix

Note 2: spread is computed as average spread of issuer over A1+/AAA CD Bank matrix

The thresholds shall be periodically reviewed and updated having regard to the market.

The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments (CP/ CDs) and bonds.

5. Process for construction of spread matrix:

Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix.

Step 1	**Segmentation of corporates –** The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket: 1. Public Sector Undertakings/Financial Institutions/Banks; 2. Non-Banking Finance Companies -except Housing Finance Companies; 3. Housing Finance Companies; 4. Other corporates
Step 2	**Representative issuers –** For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating {I.e. "AAA" or AA+). Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector. It may not be possible to find representative issuers in the lower rated segments, however in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions. In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spreads is not seen at any step. For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.
Step 3	**Calculation of benchmark curve and calculation of spread —** 1. Yield curve to be calculated for representative issuers for each sector for maturities ranging from 1 month till 20 years and above. 2. Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector. 3. In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants 4. Yield curve for Representative Issuers will be created on daily basis for all 4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the sector, parentage and characteristics. Spread over the benchmark curve for each

	security is computed using latest available trades/primaries/polls for respective maturity bucket over the Benchmark Issuer. 5. Spreads will be carried forward in case no data points in terms of trades/primaries/polls are available for any issuer and respective benchmark movement will be given
Step 4	1. The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/primary issuances. 2. In case of rating downgrade/credit event/change in liquidity or any other material event in Representative Issuers, new Representative Issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered. 3. Residual tenure of the securities of representative issuers shall be used for construction of yield curve.

Part B: Valuation of G-Secs (T-Bill, Cash management bills, G-Sec and SDL)
The following is the waterfall mechanism for valuation of Government securities:
- VWAY of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation
- Carry forward of spreads over the benchmark
- Polling etc.

Note:
1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines.
2. Outlier criteria: Any trade deviating by more than +/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.

Annexure VI

Guidelines on Polling Process for Money Market and Debt Securities:
The Guidelines on polling issued by AMFI in consultation with SEBI are as under:

Polling Guidelines:

1. Valuation agencies shall identify the Mutual Funds who shall participate in the polling process on a particular day, taking into account factors such as diversification of poll submitters and portfolio holding of the Mutual Funds. Mutual Funds who are identified by the valuation agencies shall necessarily participate in the polling process. However, in case any Mutual Fund does not participate in the polling process, detailed reason for the same shall be recorded at the time and subsequently made available during SEBI inspections. In this respect, since a Mutual Fund may have investments in similar securities, a security not forming part of investment universe may not be considered as an adequate reason for not participating in the polling process.

2. Polling will be carried out on a daily basis by the valuation agencies, in terms of points 9-11 below.

3. Each valuation agency needs to take polls from at least 5 unique Mutual Funds on a daily basis. Hence, between the two valuation agencies 10 unique Mutual Funds to be polled. They may cover more Mutual Funds, over and above this. For benchmark securities a poll constituting at least 5 responses will be considered as valid. In case of non-benchmark securities a poll constituting at least 3 responses will be considered as valid. The responses received by each valuation agency will be shared with the other agency also.

4. Median of polls shall be taken for usage in valuation process.

5. The valuation agencies will also need to cover as many non- Mutual Fund participants as possible, over and above the Mutual Funds, to improve on the polling output quality.

6. Endeavour would be made to have adequate representation of both holders and non-holders of the same bond/same issuer for non-benchmark securities in the poll process. Where this is not possible, valuation agencies may seek polls from holders of bonds with a similar structure.

7. In the case of issuers with multiple notch rating upgrades / downgrades over short periods of time, valuation agencies shall:

   a. Conduct polls with a larger universe of pollers.
   b. Increase the frequency of polling

8. Suo moto feedback on valuations should be entertained only through formal mails from persons designated by AMC for said purpose, and the same shall be validated through repolling. Any such feedback shall be duly recorded by the valuation agencies, including the reason for the challenge, results of repolling and subsequent changes in valuation on re-polling, if any. Such records shall be preserved by the valuation agencies, for verification.

9. Polling will be done for two sets of securities, Benchmark & Others.

10. Benchmark will be defined for the following categories across tenors.
    a) Treasury Bills
    b) Central Government Securities
    c) State Government Securities
    d) AAA PSU / PFI / PSU Banks
    e) AAA Private
    f) NBFC
    g) HFC
    h) Any other as required for improving fair valuations

11. Polling shall be conducted in the following two scenarios:
    a) Validation of traded levels if they are outlier trades.
    b) Non-traded Securities (in exceptional circumstances as defined in the waterfall mechanism for valuation of money market and debt securities).

12. Best efforts should be made by poll submitters to provide fair valuation of a security.

13. The polling process will be revalidated by external audit of the valuation agencies with at least an annual frequency

14. AMCs shall have a written policy, approved by the Board of AMC and Trustees, on governance of the polling process. The aforesaid policy shall include measures for mitigation of potential conflicts of interest in the polling process and shall identify senior officials, with requisite knowledge and expertise, who shall be responsible for polling. Further, the policy should outline the following aspects.

    a. the process of participating in a polling exercise.
    b. identify the roles and responsibilities of persons participating in the polling.
    c. include policies and procedures for arriving at the poll submission
    d. cover the role of the Board of AMC and Trustees, and the periodic reporting that needs to be submitted to them.
    e. All polling should be preferably over email. In case for any reason, the polling is done by way of a telephonic call then such a call should be over recorded lines, followed subsequently by an email.

f. AMCs should have adequate business continuity arrangements for polling, with the necessary infrastructure / skill to ensure that consistent delivery of poll submissions is made without material interruption due to any failure, human or technical.

15. All polling done will have to be documented and preserved in format approved by the Board of AMC, for a period of eight years, along-with details of the basis of polling (such as market transactions, market quotes, expert judgement etc.).

16. AMCs shall ensure that participation in the polling process is not mis-used to inappropriately influence the valuation of securities. The officials of the AMC who are responsible for polling in terms of point no. 14 above, shall also be personally liable for any misuse of the polling process.

17. AMCs shall maintain an audit trail for all polls submitted to valuation agencies.

Annexure VII

Guidelines for Valuation of Bonds (AT 1 Bonds and Tier 2 Bonds)

1. Currently a bond is considered traded, if there is at least one trade in market lot in that particular ISIN. If the bond does not get traded there is a defined waterfall mechanism for valuation of that bond as per AMFI Best Practice Guideline circular no. NO.83 / 2019-20 dated November 18, 2019.
2. The said waterfall requires grouping of same issuer with similar maturity and similar issuers with similar maturity. However, in case any ISIN of issuer has not traded, the valuation of AT-1 Bonds is currently done based on adjusting spread directly to the benchmark security.
3. In order to improve existing valuation of these bonds and implement the defined waterfall, followingis being done:
   i. Form two types of ISINs:
      a) Benchmark ISINs (a non-benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happens to be the benchmark ISINs across all maturities for AT-1 Bonds.)
      b) Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similarmaturity).
      c) The groups will be decided in consultation with valuation agencies. The two main criteria envisaged to be used here would be Tier 1 / Tier 2 ratings of the ISINs / Issuers, and the spread range in which the group of ISINs / Issuer's trade over the benchmark.
   ii. Take a look back period for trade recognition as under:
      a) 15 working days for benchmark ISINs
      b) 30 working days for non-benchmark ISINs
      c) This will be revised to 7 working days for benchmark ISIN and 15 working days for non- benchmark ISINs from October 01, 2021.
4. If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation. Further, if 1 ISIN of the issuer trades all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM. If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation however with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any particular day, an actual trade in a look back period will be seen. If there

is an actual trade in look back period the security will be considered as traded and valued with necessary adjustment of spread to YTM. According to this valuation will be done based on the trade of issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.

5. Further, as the valuation is based on trade during the look back period, it is confirmed that a spread is adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.

6. However, if there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period, the valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.

Points 4, 5 & 6 have been further elaborated in the detailed Annexure I B attached hereto.

7. Maturity of 100 years will be adopted for perpetual bond issued by banks. There will be a glide path for these bonds as indicated below. The Deemed Residual Maturity for the Purpose of Calculation of valuation as well as Macaulay Duration for existing as well as new perpetual bonds issued:

Time Period	**Deemed Residual Maturity (Years)**
Till March 31, 2022	10
April 01, 2022 – September 30, 2022	20
October 01, 2022 – March 31, 2023	30
March 31, 2023 onwards	100

the residual maturity will always remain above the deemed residual maturity proposed above.

8. Valuation methodology, as mentioned above, for AT-1 Bonds is to be followed for the valuation of tier II bonds also. Further, the Macaulay Duration is proposed to be calculated as under for Tier II bonds:

Time Period	**Deemed Residual Maturity for all securities (Years)**
April 01, 2021 – March 31, 2022	10 years or contractual maturity whichever is earlier
April 01, 2022 onwards	Actual Maturity

9. Besides, AT-1 bonds and Tier 2 bonds being different categories of bonds, the valuation of these bonds will be done separately (i.e.) ISIN of AT-1 bond traded will not mean that ISIN of Tier-2 bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay Duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 bonds, for all ISINs of the issuer.

10. It is confirmed that the Macaulay Duration of ISINs will be calculated based on the deemed residual maturity proposed in para 7 and 8 above to reflect the duration risk.

11. Further, henceforth SIF will disclose both Yield to Call and Yield to Maturity.

Annexure I B

Illustration for point 4 to 6

ABC and XYZ are similar issuer and similar maturity:
Maturity of ISIN 1 of ABC is near to maturity of ISIN 1 of XYZ & Maturity of ISIN 2 of ABC is near to maturity to ISIN 2 of XYZ

Issuers	ABC		XYZ		Valuation of ABC ISIN 1
Trade	ISIN 1	ISIN 2	ISIN 1	ISIN 2	
Traded Today	Y	-	-	-	Take price and arrive at YTM
Traded Today	N	Y	-	-	Take price of ISIN 2 of ABC and compute YTM of ISIN 2. Then adjust the YTM spread of ISIN 1 and ISIN 2 and compute value of ISIN 1 of ABC.
Traded Today	N	N	Y	N	From the price of ISIN 1 of XYZ compute YTM. The spread between YTM of ABC ISIN 1 and XYZ ISIN 1 is to be adjusted to derive YTM of ABC ISIN 1. The spread should further be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued and final YTM and price of the security should be computed.
Traded Today	N	N	N	Y	From the price of ISIN 2 of XYZ compute YTM of ISIN 2 of XYZ. Then derive YTM of ISIN 1 of XYZ by adjusting spread of YTM. Then by adjusting difference in spread between ISIN 1 of XYZ and ISIN 1 of ABC trade (which happens to be nearest maturity) arrive at YTM of ISIN 1 of ABC. The spread should be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
No trade today. Check for actual trade during look back	Y	-	-	-	Take YTM of traded day and adjust spread to the movement of benchmark ISIN over the period. Also adjust to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
No trade today. Check for actual trade during look back	N	Y	-	-	Arrive at YTM of ISIN 2 by adjusting spread to the movement of benchmark ISIN over the period. Derive YTM of ISIN 1 of ABC from ISIN 2 of ABC by adjusting spread over YTM. Also adjustment should be done to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
No trade today. Check for actual trade during look back	N	N	Y	N	Arrive at YTM of ISIN 1 of XYZ by adjusting spread to the movement of benchmark ISIN over the period. Then the spread of YTM of XYZ ISIN 1 and ABC ISIN 1 is to be adjusted to arrive at YTM of ISIN 1 of ABC. Also, adjustment will be done to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.

Issuers	ABC		XYZ		Valuation of ABC ISIN 1
Trade	**ISIN 1**	**ISIN 2**	**ISIN 1**	**ISIN 2**	
No trade today. Check for actual trade during look back	N	N	N	Y	Take YTM of ISIN 2 of XYZ by adjusting spread to the movement of benchmark ISIN over the period. Adjust the spread of YTM of ISIN 1 of XYZ and ISIN 2 of XYZ to arrive at YTM of ISIN 1 of XYZ. YTM of ISIN I of ABC will be derived by adjusting spread of YTM of ISIN 1 of XYZ to ISIN 1 of ABC (which appears to be a nearest maturity to ABC ISIN 1). Further, YTM will be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
Not Traded During look back	N	N	N	N	Valuation will be done considering spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.

Note: The duration to call shall not be considered/adjusted to spread over YTM.
Yield to Call and Yield to Maturity shall be disclosed to investors.

VIII. COMPUTATION OF NAV

A. POLICY OF COMPUTATION OF NAV:

The NAV of the Units of the Investment Strategy is an indicator of its market value. Therefore, NAV can be viewed to assess the current performance of a SIF. It is mandatory, as per SEBI guidelines, that all mutual funds publicly display their NAV by updating it on the AMC webpage & AMFI website on every business day.

The AMC will calculate and disclose the first NAV of the newly launched Investment Strategy not later than 5 Business Days from the allotment of Units.

Subsequently, the Net Asset Value (NAV) per Unit of the Investment Strategy will be computed and disclosed at the close of every Business Day. The NAV of the Investment Strategy is computed by dividing the net assets of the Investment Strategy by the number of Units outstanding under the Investment Strategy on the valuation date. The AMC will value its investments according to the valuation norms, as specified in Schedule VII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail. The NAV's are declared after reducing the expense ratio as there are various expenses involved with respect to SIF Investment Strategy. The expense ratio includes management fees charges, operating costs, transfer agent costs, custodian and audit charges, and distribution and marketing expenses amongst others.

NAV of Units of under the Investment Strategy shall be calculated as shown below:

NAV (Rs.) per unit = (Market or Fair Value of the Investment Strategy's Investments + Current Assets - Current Liabilities and Provisions)/No. of Units outstanding under each Investment Strategy on the valuation date.

Policy on rounding off:

NAVs for all equity oriented and hybrid Investment Strategies are rounded off to 3 decimals. NAVs for all debt-oriented Investment Strategies are rounded off to 4 decimals.

B. POLICY FOR COMPUTATION OF NAV IN FOREIGN SECURITIES:

Traded foreign securities including ADR/GDR shall be valued based on the latest available closing price of the stock exchange on which the security is listed. If the security is listed on more than one stock exchange, the AMC shall select the appropriate stock exchange and the reasons for selection of the stock exchange shall be recorded in writing and approved by Valuation Committee.

When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange or last available price on the selected stock exchange shall be used provided such date is not more than thirty days prior to the valuation date.

On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the RBI reference rate as at the close of banking hours on the relevant Business Day in India.

If the security is listed in currency for which RBI reference rate is not available, the exchange rates available from Reuters will be used. In case the direct exchange rates are not available on

Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD RBI reference rate.

Non Traded Securities

Non traded foreign security shall be valued by AMC at fair value after considering relevant factors on case to case basis. Non-traded ADR/GDR shall be valued after considering prices/issue terms of underlying security. Valuation committee shall decide the appropriate discount for illiquidity.

C. PROCEDURE IN CASE OF DELAY IN DISCLOSURE OF NAV: -

The AMC shall update the NAVs of all Investment Strategies, on the webpage of SIF and AMFI by 11.00 p.m. every Business Day.

In case of overseas security is held by any of the investment strategies, the NAV will be disclosed as per the applicable timelines in such case

If the NAVs are not available before commencement of business hours on the following day due to any reason, the H-SIF shall issue a press release providing reasons and explaining when the H-SIF would be able to publish the NAVs.

IX. TAX & LEGAL & GENERAL INFORMATION

A. TAXATION ON INVESTING IN SIF

The tax benefits set out in the SAI are for general purposes only and do not constitute tax advice. The tax information provided in the SAI does not purport to be a complete description of all potential tax costs, incidence and risks inherent in subscribing to the Units of Investment Strategies of H-SIF by HDFC Mutual Fund ("the Fund"). Investors should be aware that the fiscal rules/tax laws may change and there can be no guarantee that the current tax position as laid out may continue indefinitely. The applicability of tax laws, if any, on Fund/ Investment Stategies/investments made by the Investment Strategies and/or investors and/ or income attributable to or distributions or other payments made to Unit holders are based on the understanding of the prevailing tax legislations and are subject to adverse interpretations adopted by the relevant authorities resulting in tax liability being imposed on Fund/Investment Strategies/Unit holders/Trustee/AMC.
In view of the individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor. The tax information contained in SAI alone is not sufficient and should not be used for the development or implementation of an investment strategy or construed as investment advice. Investors alone shall be fully responsible/liable for any decision taken on the basis of this document. Neither the Fund nor the AMC nor any person connected with it accepts any liability arising from the use of this information. Investors should study this SAI carefully in its entirety and should not construe the contents as advice relating to taxation. Investors are advised to consult their tax, investment and other professional advisors to determine possible tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/redeem Units.
As per the taxation laws in force and Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Securities Transaction Tax (STT), the tax benefits/consequences as applicable, to Fund in respect of its SIF Investment Strategies (being an equity oriented fund/other than equity oriented fundand investors investing in the Units of its SIF Investment Strategies [on the assumption that the units are not held as stock-in-trade] are stated as follows:

1. Tax Benefits/Consequences to the SIF

H-SIF is established by HDFC Mutual Fund ("the Fund"), a mutual fund registered with the Securities & Exchange Board of India (SEBI) and hence the entire income of the Fund is exempt

from income-tax in accordance with the provisions of Section 11 read with Schedule VII (Sr. No. 20) of the Income-tax Act 2025 (ITA 2025) [Section 10(23D) of the erstwhile Income-tax Act, 1961 (ITA 1961)].

The Fund will receive all income without any deduction of tax at source as per the provisions of section 393(5)(d) of the ITA 2025 (section 196(iv) of the ITA 1961).

For purpose of taxation, an SIF Investment Strategy shall be regarded as an equity oriented fund only if it satisfies the conditions specified under Section 198(8) of the ITA 2025.

The tax treatment of income/gains arising from derivative transactions undertaken by an Investment Strategy shall be subject to the applicable provisions of the ITA 2025 and the characterization of such income under the applicable provisions of law. The classification of an Investment Strategy as an 'equity oriented fund' shall be determined in accordance with the conditions prescribed under section 198(8) of the ITA 2025.

Securities Transaction Tax (STT)

As per Chapter VII of the Finance (No. 2) Act, 2004, STT shall be payable, wherever applicable, as follows:

Sr. No.	Taxable Securities Transaction	Rate	Value	Payable by
1.	Purchase of units of equity oriented fund (delivery based) on recognized stock exchange	Nil	Not Applicable	Not Applicable
2.	Sale of units of equity oriented fund (delivery based) on recognized stock exchange	0.001 per cent	Value at which units are sold	Seller
3.	Sale of units of equity oriented fund (non-delivery based)	0.025 per cent	Value at which the units are sold	Seller
4.	Sale of a unit of an equity oriented fund	0.001 per cent	Value at which units are sold	Seller

Rates of Surcharge

- **In case of Corporate Assessees:**

Company	Total income upto Rs. 1 crore	Total income exceeds Rs. 1 crore but not Rs. 10 crores	Total income exceeds Rs. 10 crores
Domestic company	Nil	7%	12%
Domestic Company opting for taxation under section 200 and 201 of ITA 2025 (section 115BAA and 115BAB of ITA 1961)	10%		
Foreign company	Nil	2%	5%

- **In case of Non-Corporate Assessees:**

Nature of Income	Up to Rs.	More than Rs. 50	More than Rs. 1 crore	More than Rs. 2	More than

	50 lakhs	lakhs but upto Rs. 1 crore	but less than Rs. 2 crores	crores but up to Rs. 5 crores	Rs. 5 crores
1. Short-term capital gain under section 196 of ITA 2025 (section 111A of ITA 1961); 2. Long-term capital gains under section 197 and 198 of ITA 2025 (section 112A and 112 of ITA 1961); 3. Short term or Long-term capital gains under section 210 of ITA 2025 [section 115AD(1)(b) of ITA 1961]	Nil	10%	15%	15%	15%
4. Dividend Income[1] – Residents and Non-residents	Nil	10%	15%	25%	37%
5. Any other Income	Nil	10%	15%	25%	37%

Provided further that where the Assessee has opted for taxation under the new tax regime under section 202 of ITA 2025 (section 115BAC of ITA 1961), the surcharge rate is restricted to 25%.

For firm, co-operative society and local authority at the rate of 12% on tax where the taxable income exceeds Rs. 1 crore (Marginal relief in surcharge, if applicable)

Rates of Surcharge on tax deducted at source (TDS)

Nature of Income	Up to Rs. 50 lakhs	More than Rs. 50 lakhs but upto Rs. 1 crore	More than Rs. 1 crore but less than Rs. 2 crores	More than Rs. 2 crores but up to Rs. 5 crores	More than Rs.5 crores	More than Rs.10 crores
a) Non-corporates (Non-residents)						
• Short-term capital gain under section 196 of ITA 2025 (section 111A of ITA 1961); • Long-term capital gains under section 197 and 198 of ITA 2025 (section 112A and 112 of ITA 1961);	NIL	10%	15%	15%	15%	15%
• Dividend income[1]	NIL	10%	15%	25%	37%	37%
• Any other Income	NIL	10%	15%	25%	37%	37%
b) Corporates (Foreign Companies)	NIL		2% (More than Rs.1 crore but up to Rs.10 crores)			5%

2. Tax Benefits/Consequences to Unit holders

[1] The FA 2020 caps the surcharge on "dividend". It appears for this purpose that dividend would mean dividend from equity shares and may not cover dividend from mutual fund /income distributed by mutual funds. This is because the Income-tax Act in several places refers to dividend from equity shares as "dividend" and dividend from mutual fund as "income distributed by mutual fund". Income distribution by mutual fund is technically not regarded as dividend. Based on such approach, "mutual fund dividend" is subject to super-rich surcharge.

Tax Implications on distributed income (hereinafter referred to as either 'dividend'[2] or 'capital gains') by SIFs[3].

i. Income-tax

All Unit holders

Income distributed by SIF, otherwise than on transfer, in respect of units of a SIF will be taxable in the hands of investors at applicable rates.

- **Capital Gains Tax**

Period of holding for short term capital asset in respect of units of equity oriented fund is less than or equal to 12 months and in case of other than equity oriented fund units (other than specified mutual funds) is less than or equal to 12 months for listed units and less than our equal to 24 months for unlisted units. A capital asset other than a short term capital asset is considered as long term capital asset.

- **Long Term Capital Gains (LTCG)**

LTCG exceeding Rs. 1,25,000 arising on transfer of units of equity oriented fund are taxable at 12.5% (plus applicable surcharge and cess) under section 198 of ITA 2025 (section 112A[4] of ITA 1961), provided such transfer is chargeable to STT.

LTCG arising from the transfer of such units shall be calculated without indexation (inflation adjustment) and foreign currency fluctuation benefit. In computing LTCG, the cost of acquisition (COA) is an item of deduction from the sale consideration of the units. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to "step up" the COA of securities. Under this mechanism, COA is substituted with the "Fair Market Value (FMV]"[5], where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

For Capital gains for other than equity-oriented funds (excluding Specified mutual funds), same would be taxed at 12.5% without indexation. For non-residents, capital gains on listed securities (other than equity-oriented funds and other than specified mutual funds) would be taxed at 12.5% without indexation and without foreign currency fluctuation benefit.

- **Capital gains for Specified Mutual Fund:**

  As per section 76 of ITA 2025 (section 50AA of ITA 1961), gains from transfer or redemption or maturity of unit of a Specified mutual funds or a Market Linked Debenture acquired on or after 1 April 2023, will be taxed as deemed short-term capital gains at applicable rates and capital gains arising from the transfer/ redemption/maturity of an unlisted bond or an unlisted debenture shall also be taxed as short-term capital gains irrespective of the holding period of such asset.

[2] Income distribution by mutual fund is technically not regarded as dividend

[3] No deduction shall be allowed in respect of any interest expenditure incurred for earning dividend income or income from units of mutual funds as per section 93(2) of the ITA 2025.

[4] Please note, CBDT vide notification no. F. No. 370149/20/2018-TPL dated February 4, 2018, issued FAQs to address several queries raised on various issues relating to the new tax regime for taxation of long-term capital gains.

[5] FMV is defined as:
- the highest price quoted for the unit on 31 January 2018 on a "recognized stock exchange", or
- Net Asset Value of the unit as on 31 January 2018 where unit is not listed.

"Specified mutual funds" means a mutual funds, by whatever name called, which invests more than 65% of its total proceeds in debt and money market instruments or a fund which invests 65% or more of its total proceeds in units of such SIF, subject to the following:

(i) the percentage of investment in debt and money market instruments or in units of a fund shall be computed with reference to the annual average of the daily closing figures;

(ii) "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

"Market Linked Debenture" means a security, by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices, and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.

- **Short Term Capital Gains (STCG)**

In case the capital gain arising on transfer of the listed units mentioned above is a short-term capital gain, section 196 of ITA 2025 (section 111A of ITA 1961) provides that income-tax will be charged on such short term capital gains at 20% (plus applicable surcharge and Health and Education cess).

Further, short term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, will also be taxed at a rate of 20% (plus applicable surcharge and Health and Education cess). This benefit is available to all assessees.

Section 196 of ITA 2025 (section 111A of ITA 1961) further states that, in the case of Resident Individuals and Resident Hindu Undivided Families, whose total income (as reduced by such short-term capital gain) is below the basic exemption limit, then such short-term capital gains shall be reduced by the amount of basic exemption limit not exhausted by any other income and only balance short term capital gain will be taxed at 20% (plus applicable surcharge and Health and Education cess).

ii. Capital Gains Tax for Foreign Institutional Investors[6]/ Foreign Portfolio Investors

Any securities held by Foreign Institutional Investors in accordance with SEBI Regulations, shall be covered within the definition of the term 'Capital Asset' under section 2(22) of ITA 2025 [section 2(14) of ITA 1961].

- LTCG, arising on sale of other than equity oriented units is taxable at 12.5% (plus applicable surcharge and Health and Education cess). Such gains would be calculated without considering benefit of indexation for the COA.
- LTCG (over and above Rs. 1,25,000) arising on sale of units of equity oriented funds and subject to conditions relating to payment of STT, are taxable at 12.5% (plus applicable surcharge and Health and Education cess).
- Short-term capital gain from the sale of equity oriented units, subject to STT is taxable at 20% (plus applicable surcharge and Health and Education cess).

[6] SEBI had notified SEBI (Foreign Portfolio Investors) Regulations, 2014 on 7 January 2014 whereby existing Foreign Institutional Investor (FII), Sub- Accounts and Qualified Foreign Investors merged into a new investor class termed as Foreign Portfolio Investors (FPIs). For the purpose of section 210 of ITA 2025 (section 115AD of ITA 1961), FPIs are recognized as FII.

- Short-term capital gains arising on sale of units, in any other case, which are not subject to STT, are taxable at 30% (plus applicable surcharge and Health and Education cess) under section 210 of ITA 2025 (section 115AD of ITA 1961).

iii. Capital Gains Tax for Offshore Funds

- LTCG arising from transfer of the units of SIF purchased by the Offshore Funds (Overseas Financial Organizations) in foreign currency would be taxed at the rate of 12.5% (plus applicable surcharge and Health and Education cess). Such gains would be calculated without considering benefit of indexation on COA.
- Short-term capital gains arising from transfer of the units by the Offshore Funds are taxable as part of total income at applicable rates.

iv. Capital Gains Tax for Other Investors

- LTCG on sale of listed units of equity oriented fund, subject to conditions relating to payment of STT is taxable at 12.5% (plus applicable surcharge and Health and Education cess).
- For non-resident investors, LTCG on transfer of unlisted units will be taxable @ 12.5% (plus applicable surcharge and Health and Education cess) without indexation benefit.
- In other cases, for residents and non-residents, LTCG would be taxed at the rate of 12.5% (plus applicable surcharge and Health and Education cess) without indexation benefit.
- Short-term capital gain from the sale of equity oriented units, subject to STT, would be liable to tax at 20% (plus applicable surcharge and Health and Education cess). Short-term capital gains arising on sale of units in any other case, are taxed as part of total income at applicable rate of income-tax (plus applicable surcharge and Health and Education cess).
- In case of resident individuals and resident Hindu Undivided Families, where taxable income (as reduced by short/long term capital gains) is below the basic exemption limit, only the excess of the aggregate income over the maximum amount not chargeable to tax, will be subject to income-tax. This benefit is not available to the NRIs.
- Deductions under Chapter VIII of ITA 2025 (Chapter VI-A of ITA 1961) cannot be claimed against the short-term capital gains and long- term capital gains, covered under section 196 or section 197 or section 198 of ITA 2025 (section 111A or section 112 or section 112A of ITA 1961 respectively).
- The following amounts would be deductible, from the full value of consideration, to arrive at the amount of capital gains:
- Cost of acquisition (indexation benefit not available except for few assets) and
- Expenditure incurred wholly and exclusively in connection with the transfer of units.
- Section 90 of ITA 2025 (section 55 of ITA 1961) provides that, COA of an asset acquired before 01/04/2001, the assessee has an option of either taking the actual cost or FMV of said asset.
- For Capital gains on Specified Mutual Funds:

As per section 76 of ITA 2025 (section 50AA of ITA 1961), gains from transfer or redemption or maturity of unit of a Specified Mutual Fund or a Market Linked Debenture acquired on or after 1 April 2023, will be taxed as deemed short-term capital gains at applicable rates and capital gains arising from the transfer/ redemption/maturity of an unlisted bond or an unlisted debenture shall also be taxed as short-term capital gains irrespective of the holding period of such asset.

"Specified Mutual Fund" means a Mutual Fund, by whatever name called, which invests more than 65% of its total proceeds in debt and money market instruments or a fund which invests 65% or more of its total proceeds in units of such Mutual Fund, subject to the following:

(i) the percentage of investment in debt and money market instruments or in units of a fund shall be computed with reference to the annual average of the daily closing figures;

(ii) "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

The applicability of the provisions relating to a 'Specified Mutual Fund' shall be determined with reference to the asset allocation of the relevant Investment Strategy and the conditions prescribed under the ITA 2025.

"Market Linked Debenture" means a security, by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to market returns on other underlying securities or indices, and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India.

Tax Rates:

Sr. No.	Assessee	% of Income Tax
1	Individuals, Hindu Undivided Family ('HUF'), Association of Persons ('AOP'), Body of Individuals ('BOI')	Applicable slab rates (as per para below)
2	Domestic company (if the company resorts to the new taxation regime provided under Section 200 of ITA 2025 (section 115BAA[7] of ITA 1961)	22%
3	Domestic company (if the company resorts to the new taxation regime provided under Section 201 of ITA 2025 (section 115BAB[7] of ITA 1961)	15%
4	Domestic company having turnover/gross receipt not exceeding INR 400 crore in financial year 2024-25 [if the company does not exercise to adopt the new % of Income Tax Applicable slab rates (as per para below) 22% 15% taxation regime which has the basic tax rate of 22%/15% (as mentioned in sr. no. 2 and 3 above)]	25%
5	Domestic Company (having turnover/gross receipt exceeding INR 400 crore in financial year 2024-25) [if the company does not exercise to Adopt the new taxation regime which has the basic tax rate of 22%/15% (as mentioned in sr. no. 2 and 3 above)]	30%
6	Partnership Firms, including Limited Liability Partnerships ('LLPs')	30%
7	Foreign Company	35%

Slab wise tax Rates:

Old regime

[7] Subject to prescribed conditions especially such that certain deductions such as section 80G and exemptions need to be foregone. Further, the provisions of Minimum Alternate Tax will not apply to such companies. The option has to be exercised before the due date of filing the income-tax return. Once exercised, it cannot be withdrawn subsequently.

Sr. No.	Particulars	Rate of tax
1	Where total income for a tax year (April to March) is less than or equal to Rs. 250,000* (the basic exemption limit/maximum amount not chargeable to tax)	Nil
2	Where such total income is more than Rs 250,000* but is less than or equal to Rs. 500,000	5% of the amount by which the total income exceeds Rs 250,000*
3	Where such total income is more than Rs 500,000 but is less than or equal to Rs 1,000,000	Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 500,000
4	Where such total income is more than Rs 1,000,000	Rs 112,500 plus 30% of the amount by which the total income exceeds Rs 1,000,000

**The basic exemption limit in case of a resident senior citizen (with age of sixty years or more but less than eighty years) is Rs 300,000, in case of resident in India, who is of the age of eighty years or more at any time during the previous year is Rs 500,000.*
Further, a tax rebate up to Rs 12,500 per annum would be available for resident individuals with total income of up to Rs 500,000 per annum.
Under the alternate new regime, the slab rates for individuals and Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial Juridical Persons are as follows:

Sr No.	Particulars	Rate of tax
1	Where total income for a tax year (April to March) is less than or equal to Rs 4,00,000 (the basic exemption limit)	Nil
2	Where such total income is more than Rs 4,00,000 but is less than or equal to Rs 8,00,000	5% of the amount by which the total income exceeds Rs 4,00,000
3	Where such total income is more than Rs 8,00,000 but is less than or equal to Rs 12,00,000	Rs 20,000 plus 10% of the amount by which the total income exceeds Rs 8,00,000
4	Where such total income is more than Rs 12,00,000 but is less than or equal to Rs 16,00,000	Rs 60,000 plus 15% of the amount by which the total income exceeds Rs 12,00,000
5	Where such total income is more than Rs 16,00,000 but is less than or equal to Rs 20,00,000	Rs 1,20,000 plus 20% of the amount by which the total income exceeds Rs 16,00,000
6	Where such total income is more than Rs 20,00,000 but is less than or equal to Rs 24,00,000	Rs 2,00,000 plus 25% of the amount by which the total income exceeds Rs 20,00,000
7	Where such total income is more than Rs 24,00,000	Rs 3,00,000 plus 30% of the amount by which the total income exceeds Rs 24,00,000

The new tax regime is the default tax regime. However, there is an option available to opt out of the default new tax regime and that option shall be exercised at the time of filing of return of income. The option for opting out of the default new tax regime shall be exercised for every previous year where the tax payer has no business income, and in other cases the option once exercised for a previous year shall be valid for that previous year and all subsequent years. Certain

exemptions/deductions shall not be available while computing the taxable income under the default new tax regime. Certain other conditions are also applicable.
Rebate of lower of actual tax liability or Rs. 60,000 (against rebate of Rs. 12,500 under the old tax regime) in case of resident individuals having total income not exceeding Rs. 12,00,000 (against total income of Rs, 5,00,000 under the old tax regime). Further, marginal relief is available, to the extent the income-tax payable on total income exceeds the total income above INR 12 lakhs.

- **Exemption of capital gain from income tax**

  As per the provisions of section 86 of ITA 2025 (section 54F of ITA 1961) and subject to the conditions specified therein, in the case of an individual or a HUF, capital gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

- **Tax for certain transactions**

  All Unit holders
  Under the provisions of section 175(8) of ITA 2025 [section 94(7) of ITA 1961], loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the SIF for the purposes of entitlement of the Unit holders to receive income or additional units without any consideration, as the case may be) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

  Under the provisions of section 175(9) of ITA 2025 [section 94(8) of ITA 1961], where any person purchases units ('original units') within a period of 3 months prior to the record date, who is allotted additional units without any payment and sells all or any of the original units within a period of 9 months after the record date, while continuing to hold all or any of the additional units, then any loss arising on sale of the original units shall be ignored for the purpose of computing income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase of the additional units as are held on the date of such sale.

  General Anti Avoidance Rule ('GAAR') is an anti-tax avoidance Rule which is applicable w.e.f. April 1, 2017. The objective of GAAR is to deny tax benefits to an arrangement which has been entered into with the main purpose of obtaining tax benefits and which lacks commercial substance or creates rights and obligations which are not at arm's length principle or results in misuse of tax law provisions or is carried out by means or in a manner which are not ordinarily employed for bona fide purposes. The over-arching principle of GAAR provisions is "substance over form".

  The Organisation of Economic Co-operation and Development ('OECD') released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting ('MLI'). The MLI, amongst others, includes a "principal purpose test", wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit. The MLI has also expanded the scope of permanent establishment to include agent (excluding an independent agent) playing principal role, leading to routine conclusion of contracts without material modification. For this purpose, an agent is not considered independent if it acts exclusively or almost exclusively on behalf of one or more closely related enterprises. India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs.

- **Tax Consequences upon Merger or consolidation of Investment Strategies/Plans:**

  All Unit holders

  The tax consequences arising upon merger, consolidation, restructuring or other reorganisation of Investment Strategies of the SIF shall be governed by the applicable provisions of the Income-tax Act, 2025 and the rules, circulars and notifications issued thereunder, as may be applicable from time to time. Investors are advised to consult their tax advisors regarding the tax implications of any such transaction.

- **Tax Deduction at Source**

  All Unit holders

  Capital Gains

  No income-tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents. However, the provisions of section 393 of ITA 2025 may apply to non-residents (other than Foreign Institutional Investors). As per the provisions of section 393(4)(Sr. No. 16) of ITA 2025 (section 196D of ITA 1961), no deduction of tax shall be made on any income from capital gains payable to FIIs arising on transfer of securities referred to in section 210 of ITA 2025 (section 115AD of ITA 1961).

  Accordingly, income tax may have to be deducted at source at the following rates in case of a non-resident (other than foreign companies), unless a lower withholding tax certificate is obtained from the tax authorities:

- In case of short term capital gains

  The tax on transfer of short-term capital gains referred to in section 196 of ITA 2025 (section 111A of ITA 1961) (equity-oriented fund) shall be at the rate of 20% (plus applicable surcharge and Health and Education cess) and at the rate of 30% (plus applicable surcharge and Health and education Cess) in case of short-term capital gains [other than under section 196 of ITA 2025 (section 111A of ITA 1961)] [other than equity oriented fund],

- In case of long term capital gains

  At the rate of 12.5% (plus applicable surcharge and Health and education Cess) in case of long-term capital gains referred to in section 198(4) of ITA 2025 [Section 112(1)(c)] (unlisted units) and at the rate of 12.5% (plus applicable surcharge and Health and education Cess) on income by way of long- term capital gains referred to in section 198 of ITA 2025 (section 112A of ITA 1961) (equity oriented fund) of the Act and in case of other long-term capital gains on transfer shall be taxed at the rate of 12.5% without indexation, unless a lower withholding tax certificate is obtained from the tax authorities.

  As per section 393(2)(Sr. No. 10) of ITA 2025 (section 196A of ITA 1961), the withholding tax would be lower of 20% (plus applicable surcharge and cess) or the rate provided under the relevant tax treaty, subject to eligibility and compliance with applicable conditions.

  In the case of foreign companies, tax has to be deducted at source at the following rates unless a lower withholding tax certificate is obtained from the tax authorities:

- In case of short term capital gains

  At the rate of 20% (plus applicable surcharge and Health and education Cess) on short-term capital gains referred to in section 196 of ITA 2025 (section 111A of ITA 1961) (equity-oriented fund) and at applicable rates (plus applicable surcharge and Health and Education Cess) in case of short-term capital gains (other than under section 196 of ITA 2025 (section 111A of ITA 1961) [other than equity oriented fund].

- In case of long term capital gains
  At the rate of 12.5% (plus applicable surcharge and Health and Education Cess) in case of long-term capital gains referred to in section 198(4) of ITA 2025 [Section 112(1)(c)] (unlisted units) and at the rate of 12.5% (plus applicable surcharge and Health and education Cess) on income by way of long term capital gains referred to in section 198 of ITA 2025 (section 112A of ITA 1961) (equity oriented fund).

  As per section 393(2)(Sr. No. 10) of ITA 2025 (section 196A of ITA 1961), the withholding tax would be lower of 20% (plus applicable surcharge and cess) or the rate provided under the relevant tax treaty, subject to eligibility and compliance with applicable conditions.

  Dividend income

Category	TDS rate
Resident	10% [section 393(1)[Sr. No. 4(i)] of ITA 2025 (section 194K of ITA 1961)]
FPI (corporate)	20% [section 393(2)(Sr. No. 15) of ITA 2025 (section 196D of ITA 1961)]
FPI (non-corporate)	20% [section 393(2)(Sr. No. 15) of ITA 2025 (section 196D of ITA 1961)]
Non-residents including corporates	20% 393(2)(Sr. No. 10) of ITA 2025 (section 196A of ITA 1961)

  Section 393(2)(Sr. No. 10) of ITA 2025 (section 196A of ITA 1961) is specifically applicable in case of non resident unitholders, which provides the withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of units of a SIF credited/paid to non-resident unitholders. However, the withholding tax is subject to treaty benefits basis Note 2 as provided for Section 393(2)(Sr. No. 10 of ITA 2025) [proviso to section 196A(1) of ITA 1961].For FPIs, as per Note 2 as provided for Section 393(2)(Sr. No. 15 of ITA 2025) [proviso to section 196D(1) of ITA 1961] provides for granting relevant tax treaty benefits at the time of withholding tax on income with respect to securities of FPIs, subject to furnishing of tax residency certificate and such other documents as may be required.

  As per section 397 of ITA 2025 (section 206AA of ITA 1961), where tax is deductible under the Act, and the deductee has not furnished a Permanent Account Number (PAN) to the deductor, tax should be deducted at source at the highest of the following rates:
  - At the rate specified in the ITA 2025
  - At the rates in force
  - At the rate of 20%

  In relation to payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital assets, relaxation is provided to non-residents from deduction of tax at higher rate of 20% in the absence of PAN in respect of specified payments subject to them providing specified information and documents (like Tax Residency Certificate (“TRC”), Tax Identification Number (“TIN”), etc.). However, the said relaxation is not yet prescribed for dividend income.

- **Gift of Units**
  Section 92(2)(m) of ITA 2025 [section 56(2)(x) of ITA 1961] provides that any receipt of sum of money and/or property without consideration or for inadequate consideration (exceeding INR 50,000) by all assesses would be taxable as income from other sources. The term ‘property’ includes shares and securities. Units of a SIF could fall within the purview of the term “securities”. As per the ITA 2025, “property” would refer to capital assets only.

- **Clubbing of income**
  Subject to the provisions of section 99 of ITA 2025 [section 64(1A) of ITA 1961], taxable income accruing or arising in the case of a minor child shall be included in the income of the parent whose total income is greater or where the marriage of the parents does not subsist, in the income of that parent who maintains the minor child. An exemption under section 11 r.w. schedule III (Sr. No. 17) of ITA 2025 [section 10(32) of ITA 1961], is granted to the parent in whose hand the income is included upto Rs. 1,500/- per minor child. When the child attains majority, the tax liability will be on the child.

- **Deduction under section 123 r.w. schedule XV of ITA 2025 (section 80C of ITA 1961)**
  An individual/HUF is entitled to a deduction from Gross Total Income upto Rs. 1.50 lac (along with other prescribed investments) for amounts invested in any units of a SIF referred to in section 11 r.w. schedule VIII (Sr. No. 20) of ITA 2025 [section 10(23D) of ITA 1961], under any plan formulated in accordance with such scheme as the Central Government may notify.

OTHER BENEFITS

Investments in Units of the SIF will rank as an eligible form of investment under section 342 r.w.s. 350 of the ITA 2025 read with Schedule XVI of ITA 2025 [Section 11(5) of ITA 1961 read with Rule 17C of the Income-tax Rules, 1962], for Religious and Charitable Trusts.

TAX TREATY BENEFITS

A non-resident investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the non- resident investor is a tax resident, whichever is more beneficial to the non-resident investor. As per the provisions of the Act, submission of tax residency certificate ("TRC") along with Form No. 10F and No PE certificate will be necessary for granting Tax Treaty benefits to non-residents. A taxpayer claiming Tax Treaty benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. Further, in addition to the TRC, the non-resident shall also provide such other documents and information subsequently, as may be prescribed by the Indian Tax Authorities. Further as per section 393 of ITA 2025 (section 195 of ITA 1961), an application may be required to be made to the tax authorities to determine the withholding tax rate, if transfer/redemption/buyback of Units are covered within the list of specified transactions, such list being yet not specified. Further, the provisions of section 393 of ITA 2025 (Section 195 of ITA 1961) and/or section 395 of ITA 2025 (Section 197 of ITA 1961) would need to be complied and also documents will have to be furnished by the non-resident investor in this regard.

As per section 393(2)(Sr. No. 10) of ITA 2025 (section 196A of ITA 1961), the withholding tax would be lower of 20% (plus applicable surcharge and cess) or the rate provided under the relevant tax treaty, subject to eligibility and compliance with applicable conditions.

The above Statement of Possible Direct Tax Benefits/ Consequences sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of SIF units. The statements made above are based on the tax laws in force and Income-tax Act 2025 (including the amendments made by the Finance Act, 2026), Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Securities Transaction Tax, and as interpreted by the relevant taxation authorities as of date. Investors/Unit holders are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of SIF units."

B. LEGAL INFORMATION

- **Nomination Facility**

In terms of Regulation 27 of the SEBI (MF) Regulations, the Unitholders have an option for making nomination. In terms clause 15.14 of SEBI Master Circular, it is mandatory for Unitholders (holding Mutual Folios solely) subscribing on or after October 1, 2022, to either provide nomination details in the prescribed format or opt out declaration in prescribed format duly signed. The requirement of nomination shall be optional for jointly held folio(s). The AMC provides an option to the investor(s)/Unit holder(s) to nominate (in the manner prescribed under the SEBI (MF) Regulations in whom the Units shall vest in the event of the death of the Unitholder(s) subject to the satisfactory completion of certain necessary formalities as may be prescribed by the AMC.

Through this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee(s). A nomination in respect of the Units does not create any title or beneficial interest in the property after the death of the Unitholder. The nominee(s) shall receive the Units only as an agent/trustee for the legal heirs or legatees of the deceased Unitholder as the case may be. Transmission of Units in favour of the nominee(s) shall be a valid discharge by the AMC/SIF of its liability towards the estate of the deceased Unitholder(s) and his/her/ their successors/legal heirs. It is however clarified that the SIF/AMC will not be bound to transmit the Units in favour of the nominee if it becomes aware of any dispute in relation to the nominee's entitlement to the Units. In the event the SIF/AMC/ Trustee incurs or suffers any claim, demand, liabilities, including claims and demands in respect of any prospective or retrospective tax liability, proceedings or actions are filed or initiated against any of them in respect of or in connection with the nomination, the SIF/ AMC/Trust shall be entitled to be indemnified absolutely for any loss, expenses, costs and charges that any of them may suffer or incur.

Nomination Form shall be required for all folios held in the name of single individual investors. Provided that, if any investor(s) does not wish to nominate, such investor shall be required to confirm the same by submitting the declaration form for opting-out at the time of making an application. Where the Units are held jointly, all the Joint holders are required to jointly nominate one or more persons (not exceeding three) with the percentage allocation indicated, in whom the Units shall vest in the event of death of all the Joint holders. Unitholders can, by filing fresh nomination form, make a fresh nomination which will supersede all existing nominations in the folio.

The signatories for the nomination form in joint folios/account, shall be the same as that of joint MF folio/demat account. i.e.

- 'Either or Survivor' Folios / Accounts - any one of the holders can sign.
- 'First holder Folios/ Accounts' - only First holder can sign.
- 'Jointly' Folios / Accounts – all the holders have to sign.

Non-individual Unitholder(s)/investors including society, trust (other than a religious or charitable trust), body corporate, company, AOP, BOI, Bank, FPI, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. A nomination may be made in favour of a non-resident Indian/person or Indian origin/overseas citizen of India subject to the compliance by the Unitholder/investor of the applicable laws including the rules and regulations prescribed under the Foreign Exchange Management Act, 1999, as may be applicable and in force from time to time. A nomination cannot be made in favour of a trust (save and except a religious or charitable trust), society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder.

Minor(s) can be nominated and in such cases, the name and details of the natural parent/legal guardian representing such minor nominee(s) shall be provided by the Unitholder. Nomination can also be made in favour of the Central Government, State Government, local authority, any person designated by virtue of his office or a religious or charitable trust.

The following terms and conditions have to be complied with by the Unitholder/investor who wishes to nominate a person in whom the Units shall vest in the event of death of the Unitholder(s):

i. Nomination by a Unitholder shall be applicable for all the investments in all investment strategies held under a particular folio i.e. if nomination is registered at the Folio level, then it will be applicable for all investments in all investment strategies under the said Folio.
ii. In case a folio has Joint holders and the mode of operation is 'either or survivor' folios - any one of the holder should sign and if it is 'Jointly' folios - all holders should sign the request for nomination/cancellation of nomination.
iii. Unitholder is eligible to make nomination or change nominee any number of times without any restrictions. Every unitholder is entitled to receive acknowledgement from the AMC/ DP for each instance of providing or changing nomination.
iv. Every new nomination for a folio will supersede all the existing nomination.
v. Nomination is not permissible for a folio held on behalf of a minor Unitholder.

Nomination can be made for maximum of three nominees. In case of multiple nominations under the same folio, the Unitholder(s) must clearly and unambiguously specify the exact share of each of the nominees as a percentage without any decimals of the Units held by the Unitholder(s) making a total of 100%. Any odd lot after division / fraction of %, shall be transferred to the first nominee mentioned in the nomination form.

In absence of such clear and unambiguous indication by the Unitholder regarding the exact share of each of the nominees and where the total percentage of allocation amongst multiple nominees does not make a total of 100%, the Nomination request shall be treated as invalid and rejected. If the percentage/share of each nominee is not mentioned in the Form, it will be assumed that the Unitholder(s) has opted for the Default Option where the Units to be allocated equally among all the nominees and settled accordingly.

Transmission aspects

- In the event of death of one or more joint holder(s), the units held in the joint Folios / holdings shall, subject to submission of such documents and completion of such formalities as may be prescribed by the AMC/Registrar & Transfer Agent from time to time and in accordance with applicable law and regulatory requirements, be transmitted to the surviving joint holder(s) by deletion of the name(s) of the deceased holder(s) from the existing folio. Notwithstanding the above, the surviving joint holder(s) may, at their option, request AMC to transmit the units to another existing or new folio. Upon such transmission, the surviving member(s) shall receive the assets as owner(s) and not as a trustee(s), executor(s), administrator(s) or representative(s) of the deceased holder(s), unless otherwise directed by a competent court, statutory authority or as required under applicable law. The surviving joint holder(s) shall be entitled to continue with, or modify or cancel the nominations made previously. The norms applicable for operation of the account / folio shall be mutatis mutandis applicable for nomination.
- The mode of operation (of the joint folio), namely that of the first named holder OR anyone or survivor OR either-or survivor basis OR joint, etc. shall be unaffected by the rule of survivorship and shall continue to be governed in accordance with the applicable law, regulatory requirements and the records of the AMC, except to the extent modified pursuant to a valid transmission.
- Upon demise of investor/s, in absence of nomination, the AMC shall transmit the assets in the account / folio to either the legal heir(s), legal representative(s) successor(s), or other person(s) entitled to the Units of the unitholders/investors under applicable law, including the applicable law of succession or pursuant to a valid testamentary instrument (including a Will), as may be applicable, subject to submission of such documents, information, declarations, indemnities and completion of such formalities as may be prescribed by the AMC, the Registrar and Transfer Agent ("RTA"), SEBI, AMFI or any other applicable regulatory authority from time to time.
- In case of joint accounts when all joint holders simultaneously pass away:

A. Where a valid nomination has been registered, the AMC shall transmit the units in the folio of the registered nominee(s) for effecting its due discharge in respect of such units.

B. In absence of nomination, the regulated entity shall transmit the assets in the account / folio to either;

a. The legal heir(s) or legal representative(s) of the youngest of the joint holders as per the rules of intestate succession; or
b. As per the Will of the latter, as the case may be, after following the prescribed procedure.

- In case of units held by Hindu Undivided Family (HUF), upon the death of the Karta recorded in the folio, the new Karta as constituted under applicable law, would be entitled to operate such folio. Where no new Karta is appointed or recognised, or where the HUF stands partitioned or dissolved, the AMC shall effect transmission of folio as per dissolution deed or deed of partition (where applicable), and such guidelines, procedures or criteria as may be prescribed by SEBI, AMFI or any other recognised self-regulatory organisation or industry body, as applicable from time to time.
- In case all the nominees do not claim the assets from the AMC / Depository Participant (DP), then the residual unclaimed asset shall continue to be with the AMC in case of MF units and with the concerned Depository in case of Demat account.
- Nominee(s) shall extend all possible co-operation to transfer the assets to the legal heir(s) of the deceased investor. In this regard, no dispute shall lie against the AMC / DP.
- Death of Nominee/s: In the event of all the nominees pre-deceasing the unitholder(s), the unitholder/s is / are advised to make a fresh nomination soon after the demise of all the nominees. The nomination will automatically stand cancelled in the event of all the nominees pre-deceasing the unitholder(s). In case of multiple nominations, if any of the nominee is deceased, the remaining nominee's share will be distributed on pro-rata basis (as illustrated below) amongst the surviving nominees. Any odd lot after division / fraction of %, shall be transferred to the first nominee mentioned in the nomination form. Nominee's legal heir cannot claim the assets on behalf of deceased Nominee(s).

% share as specified by investor at the time of nomination		**% assets to be apportioned to surviving nominees upon demise of investor and nominee 'A'**			
Nominee	**% share**	**Nominee**	**% initial share**	**% of A's share to be apportioned**	**Total % share**
A	60%	A	0	0	0
B	30%	B	30%	45%	75%
C	10%	C	10%	15%	25%
Total	**100%**	**-**	**40%**	**60%**	**100%**

vi. Cancellation of nomination registered with the HDFC AMC/H-SIF can be made only by those Unitholder(s) who hold Units on their own behalf either singly or jointly and who had made the original nomination. On cancellation of existing nomination, the nomination shall stand rescinded and the H-SIF/HDFC AMC shall not be under any obligation to transmit the Units in favour of the nominee(s).

vii. Any transfer/transmission of Units to any other person shall also result in automatic cancellation of the nomination and the H-SIF/ HDFC AMC shall not be under any obligation to transmit the Units in favour of the nominee(s).

Transmission of units in favour of the nominees or legal heirs shall not be permitted when such Units are lien marked in the Folio. Upon receipt of a valid discharge letter or no objection from the

lien holder, confirming that the lien obligation has been completely settled, the Lien shall be removed by the AMC/RTA and the transmission of such units shall be initiated in favour of the registered nominees or the legal heirs, in accordance with SEBI prescribed transmission norms.

For Units held in Electronic (Demat) Mode
For Units of the investment strategies held in electronic (demat) mode with the Depository, the nomination details provided by the Unitholder to the Depository will be applicable to the Units of the investment strategies. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and bye-laws of the Depository.

- **Prevention of Money Laundering**
  Prevention of Money Laundering Act, 2002 (hereinafter referred to as "PML Act") came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. SEBI vide Circular No. SEBI/HO/MIRSD/MIRSDSECFATF/P/ CIR/2024/78 dated June 6, 2024 issued a 'Master Circular on Anti Money Laundering (AML) Standards/with and Combating the Financing of Terrorism (CFT)/Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002' and before "and rules framed thereunder" all intermediaries are advised to take necessary steps to ensure compliance with the requirement of the PML Act inter-alia for the maintenance and preservation of records and reporting of information relating to suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

  The investor(s) should ensure that the amount invested in the investment strategies of H-SIF is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and/or any other laws in force in India from time to time or any rules, regulations, notifications or directions issued thereunder.

  To ensure appropriate identification of the investor(s)/ Unitholder(s) under the KYC policy and with a view to monitor transactions for the prevention of money laundering, the AMC/the SIF reserves the right to seek information, record investor's/Unitholder's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor/Unitholder, their beneficial owner(s), proof of residence, source of funds, etc. It may verify identity and obtain any incomplete or additional information for this purpose as the case may be.

  The investor(s)/Unitholder(s) shall provide such documents to the satisfaction of the AMC as may be required from time to time for the verification/identification of the investor(s)/ Unitholder(s)/any transaction by the AMC/SIF. If the investor(s)/Unitholder(s) refuses/fails to provide to the AMC, the required documents/information within the period specified, the AMC, shall have the sole and absolute discretion to freeze the folio(s) of the investor(s)/Unitholder(s), reject any application(s)/allotment of Units and report the details of such investor/Unitholder/transaction to appropriate authority. The SIF, AMC, HDFC Trustee Company Limited and their Directors, employees and agents/or shall not be liable in any manner for any claims arising whatsoever on account of such freezing of folio(s)/rejection of any application/allotment of Units redemption of Units and transfer of proceeds to authorities and/or reporting the same to appropriate authorities.

- **Litigations & Succession**

  The AMC shall freeze/lock/remit/transfer/transmit the Units in the folio(s) partially/completely of investor(s)/Unitholder(s) or reject any applications for subscription or redemption or transmission of Units at its sole and absolute discretion pursuant to receipt of instructions/directions/orders issued by any Governmental, judicial, quasi judicial, regulatory or other similar authority ("Authority"), including orders restricting the investor(s)/Unitholder(s)/Jointholder(s) from dealing in securities or for attachment of Units held by the investor(s)/Unitholder(s)/ Jointholder(s) from dealing in securities or for attachment of Units held by the investor(s)/Unitholder(s)/Jointholder(s). Similarly, the AMC

shall also be entitled to freeze/lock/remit/transfer/transmit the Units at its sole and absolute discretion in the event of intestate or testamentary succession involving the investor(s)/Unitholder(s)/Jointholder(s).

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Additionally, the AMC shall be entitled to freeze/lock the folio(s) of investor(s)/Unitholder(s)/Jointholder(s) for further transactions or reject any applications for subscription or redemption or transmission of units at its sole and absolute discretion upon the AMC becoming aware of any investigation/action/litigation/succession or any other claims relating to the investments or transactions of the investor(s)/Unitholder(s)/Jointholder(s) by any Authority or upon receipt of any claims or complaints for fraud, or any disputes/litigations among Unitholder(s)/Jointholder(s)/nominees/legal heir/other claimants to the units relating to the investments or transactions of the investor(s)/ Unitholder(s)/Jointholder(s), including disputes/litigations where AMC has been impleaded as a party.

The freeze/lock/rejection/restriction so imposed by the AMC as hereinabove mentioned may be absolute or may continue till receipt of a specific written instruction/direction/order from such Authority authorizing the removal of such freeze/rejection/ restriction and/or completion of the investigation by AMC or resolution of the disputes, etc. as the case may be.

It is hereby clarified that the AMC, SIF, HDFC Trustee Company Limited and its Directors, employees and agents shall not be liable for any loss or damage suffered by investor(s)/ Unitholder(s)/Jointholder(s)/nominee(s), either directly or indirectly, as a consequence AMC acting on the express orders of the Authority or for undertaking such freeze/ lock/ rejection/ restriction/ remittance/ transfer/ transmission as mentioned above, as the case may be.

Further, if either the SIF/AMC incur any loss, damage, costs, including claims and demands in respect of any prospective or retrospective tax liability, etc. whatsoever resulting from or arising out of any investigation, litigation or other proceeding or harm that it may suffer in relation to acting on the Court/ Regulatory Statutory orders/directives as stated above and also in relation to nomination, transmission, etc. they will be entitled to be indemnified absolutely from the deceased investor(s)/ Unitholder(s) estate.

- **Refund of excess amounts**
  In case any excess amount(s) is paid to any investor(s)/ Unitholder(s) by HDFC AMC whether on account of redemption of units, payment of IDCW or any other account (and, in case of payments by cheque, whether encashed or not), whatsoever, then HDFC AMC may seek refund of such excess amount(s) from such investor(s)/Unitholder(s). In case, such investor(s)/ Unitholder(s) fail to refund such excess amount(s) within the specified period then HDFC AMC, in addition to its rights as may be available to it under the law, shall also have the right to debit/set off/adjust, either in full or in part, such excess amount(s) together with interest thereon at the rate of 15% p.a. from the amount(s), if any, payable, whether presently or in future, by HDFC AMC to such investor(s)/Unitholder(s) under any Investment Strategy of HSIF in the same Folio or any other Folio of such investor(s)/Unitholder(s).

- **Registration of Systematic Transactions:**
  All systematic transactions such as SIP, STP etc. will be registered only as per the maximum validity prescribed by government/ NPCI.

- **Disclaimer in respect of marketing of Investment Strategies outside India**
  The Units of all Investment Strategies are being offered in pursuance of the ISID of the respective Investment Strategies, as amended and updated, which has been filed only with SEBI in India. The distribution of the ISID, read with this SAI and the offering, subscription, sale or transfer of the Units thereof in certain jurisdictions may be restricted or regulated by appropriate laws. No action has been or will be taken in any jurisdiction that would permit or tantamount to permit a public offering of the Units or the possession, circulation or distribution of the ISID or SAI or any other offering,

marketing or publicity material relating to any Investment Strategy or the Units, in any country or jurisdiction (other than India), where any action for such purpose(s) is required.

Accordingly, the Units may not be marketed or offered or sold, directly or indirectly, and neither the ISID nor the SAI or any other offering, marketing material, circular, form of application or advertisement in connection with the Units (collectively referred to as "Offering Material") may be distributed or published, in or from any country or jurisdiction unless such marketing, offer or sale or circulation, etc. is in compliance with all applicable laws and regulations of any such country or jurisdiction. The Offering Material does not constitute, the HDFC AMC, H-SIF or HDFC Trustee Company Limited are not making, an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful.

- **Ultimate Beneficial Owner(s) (UBO(s))**
  As a part of Client Due Diligence (CDD) Process under PML Act 2002 read with PML Rules, 2005 as amended from time to time each of the SEBI registered intermediary, which inter- alia includes SIFs, is required to obtain sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account. Providing information about beneficial ownership is mandatory for all categories of investors except (i) Individuals and (ii) a Company, which is listed on a stock exchange or is a majority owned subsidiary of such a Company.

  Further, pursuant to SEBI Master Circular No. SEBI/HO/ MIRSD/MIRSDSECFATF/P/CIR/2024/78 dated June 06, 2024 on AML/CFT Obligations and Guidelines on identification of Beneficial Ownership issued by SEBI vide its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) ("UBO(s)") and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

  In order to comply with the above Act/Rules/Regulations & Guidelines, the following CDD process is being implemented by H-SIF.

I. **Applicability:**

1. Providing information about beneficial ownership will be applicable to the subscriptions received from all categories of investors except Individuals and a Company listed on a stock exchange or is a majority owned subsidiary of such a Company.
2. KYC acknowledgement alongwith the 'Ultimate Beneficial Ownership' declaration form is required to be submitted to HDFC AMC/its RTA.
   (* Original to be shown for verification and immediate return.)
3. In case of any change in the beneficial ownership, the investor should immediately intimate HDFC AMC/ its Registrar/KRA, as may be applicable, about such changes.

II. **Identification Process:**

(a) **For Investors other than Individuals or Trusts:**

(i) If the investor is an unlisted company, partnership firm or unincorporated association/body of individuals, the beneficial owners are the natural person/s who is/are acting alone or together, or through one or more juridical person and exercising control through ownership or who ultimately has a controlling ownership interest.

(ii) Controlling ownership interest means ownership of/entitlement to:

a) more than 10% of shares or capital or profits of the juridical person, where juridical person is a company.

b) more than 10% of the capital or profits of the juridical person, where the juridical person is a partnership firm; or

c) more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

(iii) In cases, where there exists doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity details should be provided of the natural person who is exercising control over the juridical person through other means (i.e. control exercised through voting rights, agreement, arrangements or in any other manner).

(iv) In case no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

(b) **For Investor which is a Trust:**
In case of a Trust, the settler of the trust, the trustee, the protector and the beneficiaries with 10% or more interest in the trust or any other natural person exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner. The trustees to disclose their status at the time of commencement of an account based relationship.

(c) **For Foreign Investors:**
The Know Your Client requirements in case of foreign investors viz. Foreign Portfolio Investor (FPI), Sub accounts and Qualified Foreign Investors (QFIs) as specified in SEBI Master Circular No. SEBI/HO/AFD/ AFD-PoD-2/P/CIR/2024/70 dated May 30, 2024 for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors shall be considered for the purpose of identification of beneficial ownership of the investor.

For collection of information/documentation from investors/Unitholders, SEBI has prescribed uniform Know Your Client (KYC) requirements vide Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023 on KYC norms for securities market to be used by the concerned registered intermediaries. Further, the intermediaries are also advised vide SEBI Master circular dated May 30, 2024 as mentioned in above paragraph read with the guidance on KYC requirements issued by SEBI to follow a risk based approach towards KYC requirements of Eligible Foreign Investors (EFI)/Foreign Portfolio Investors (FPIs) by classifying them into Category I, II and III.

SEBI has also notified the SEBI KYC Registration Agency (KRA) Regulations, 2011 and have issued guidelines under these regulations from time to time.

For more details on **'Ultimate Beneficial Owners (UBO(s))'** investors may log on to **'Investor Corner'** Section on our webpage hsif.hdfcfund.com

- **Know Your Customer (KYC) Compliance**
In terms of the PML Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws) from time to time, all intermediaries, including SIFs, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors.

In order to bring about uniformity in the Know Your Customer (KYC) process in the securities market, Common KYC Application form and supporting documents shall be used by all SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investors Schemes, etc. Further, to avoid duplication of KYC process across SEBI registered intermediaries, a mechanism for centralization of the KYC records in the securities market has been developed. Accordingly, we will be performing the initial KYC of our clients and upload the details on the system of the KYC Registration Agency (KRA). The data from the KRA shall be checked and passed onto the Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) for generation of the KYC Identification number (KIN) of the investor. The KYC details of the client can be accessed by other intermediaries by accessing the KRA system. As a result, once the client has done KYC with a SEBI registered intermediary, he need not undergo the same process again with the Fund provided the KYC has

been done with Aadhaar as the Proof of Identity. In case, the KYC is done with any other Officially Valid Document as proof of Identity, the investor would need to undergo the KYC every time they invest with a new SEBI registered intermediary i.e. AMC. However, the Fund reserves the right to carry out fresh KYC of the investor in its discretion. For regulating KRAs, SEBI has formulated the KYC Registration Agency (KRA) Regulations, 2011 which covers the registration of KRAs, functions and responsibilities of the KRAs and intermediaries, code of conduct, data security, etc.

In-Person' Verification (IPV) of clients has been made mandatory for all SEBI registered intermediaries. Asset Management Companies (AMCs) and the distributors who comply with the certification process of National Institute of Securities Market (NISM) or Association of Mutual Funds (AMFI) and have undergone the process of 'Know Your Distributor (KYD)' can perform the IPV for SIF investors. Additionally, entities registered as Category 1 Execution Only Platform (EOP) can perform the IPV. However, where applications are received by the SIFs directly from the clients (i.e. not through any distributor), the IPV performed by the scheduled commercial banks can be relied on. The IPV carried out by any SEBI registered intermediary can be relied upon.

For details regarding 'How to apply for KYC?' and 'Who are required to be KYC compliant?', please refer the FAQ section on the webpage of the SIF hsif.hdfcfund.com

For Units held in physical (non-Demat) form

Investors should note that it is mandatory for all transactions(s) viz.
(i) Purchases;
(ii) Switches;
(iii) Registrations for Systematic Investments viz. Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) etc.; irrespective of the amount of investment to be KYC Compliant;
(iv) Redemptions.
(v) IDCW

Investors should quote the valid KYC Compliance Status and attach proof of KYC Compliance viz. KYC Acknowledgement Letter/Printout of KYC Compliance Status downloaded from the website www.camskra.com/www.cvlkra.com using the PAN.

In the event of non compliance of KYC requirements, the Trustee/ AMC reserves the right to freeze the folio of the investor(s) and refund the investment amount in case of fresh purchase.
All investors (both individual and non-individual) can apply for KYC compliance. However, applicants should note that minors cannot apply for KYC compliance and any investment in the name of minors should be through a Guardian, who should be KYC compliant for the purpose of investing with a SIF. Also, applicants/Unitholders intending to apply for Units/ currently holding Units and operating their SIF folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC compliance status at the time of investment. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA. Separate procedures are prescribed for change in name, address and other KYC related details, should the applicant desire to change such information.

- **Financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests will not be processed if the Unitholders have not completed KYC requirements**

Unitholders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance.

Further in case your PAN is not updated in our records, upon updation of KYC details with the KRA (KRA-KYC)/CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent their PAN information along with the folio details for updation in our records.

For applicants who subscribe to the Units through Stock Exchange facility, the KYC performed by the Depository Participant of the applicants will be considered as KYC verification done by the Trustee/AMC.

Units held in Electronic (Demat) mode
For Units held in Demat form, the KYC performed by the Depository Participant of the applicants will be considered as KYC verification done by the Trustee/AMC.

- **Process for transfer of units held in Non-Demat (SoA) mode**
The Units of the Investment Strategies in Demat mode are freely transferable via recognised depositories (eg. NSDL/CDSL) subject to applicable rules and conditions.

Units held in physical mode for e.g. Statement of Account (SoA) mode may be transferred subject to prevailing AMFI/ SEBI guidelines from time to time.

In case of all Investment Strategies where units are compulsorily required to be held in demat mode only), the Unit holder, after attaining majority is entitled to introduce upto two additional persons as joint holders, subject to and in accordance with prevailing AMFI/SEBI guidelines from time to time.

However, if a transferee becomes the holder of the Units by operation of law, upon the enforcement of a pledge, or by virtue of a Gift by the Unitholder, the AMC shall, subject to the production of such evidence and documents, which, in its opinion is sufficient, proceed to effect the transfer, if the intended transferee is eligible to hold the Units. An individual becoming entitled to Units in consequence of death or insolvency of the sole Unitholder or survivors of joint holders, upon producing evidence to the satisfaction of the SIF/AMC, shall be registered as Unitholder.

On death of the single or all the Unitholder(s), Units can be transmitted in favour of the registered nominee or the legal heirs or the legal representatives of the youngest Joint holder (wherein it is uncertain to render as to who survived the other) as per the rules of intestate succession, or as per the copy of Will of the latter as the case may be, after completion of necessary formalities to the satisfaction of the AMC/Trustee. All restrictions and limitations specified herein including those relating to lock-in period, lien/pledge and lock/freeze of the folio(s) due to prohibition or SEBI debarment or Order/directions issued by any Governmental, judicial, quasi-judicial or other similar authority (Authority), including orders restricting the

investor (s)/Unitholder(s) from dealing in securities or for attachment of units held by the investor(s)/Unitholder(s), will be binding also on the legal heirs, successors, pledgees of the Unitholder(s).

As per the prevailing AMFI Best Practices Guidelines, as may be amended from time to time, units held by individual unitholders (under Resident/non-resident Individual category) in Non-Demat ('SoA') mode can be transferred in the following cases-
(i) Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s).
(ii) A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee.
(iii) A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent/guardian, sibling, spouse etc. in the folio as joint holder(s).
(iv) transfer to siblings.
(v) Gifting of units.
(vi) Transfer of units to third party.
(vii) addition/deletion of unit holder.

Units held in Electronic (Demat) Mode

For Units of the Investment strategies held in electronic (Demat) form, the Units will be transferable and will be subject to transmission in terms of the rules and byelaws of the Depository and in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996, as may be amended from time to time. The instructions for transfer/transmission of Units will have to be lodged with the Depository Participant in the requisite form along with the requisite documents as may be required from time to time and transfer/transmission will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in Dematerialized form.

- **Duration of the Investment Strategy and Winding up**

(A) Duration of the Investment Strategy:

(i) Close - Ended Investment Strategies

Each closed-ended Investment Strategy/Plan will have a Maturity Date/Final Redemption Date and will be compulsorily and without any act by the Unitholder(s) redeemed on the Maturity Date/ Final Redemption Date. On Maturity/Final Redemption Date of the Investment Strategy/Plan, the units will be redeemed at the applicable NAV. The SIF may convert the Investment Strategy /Plan after the Maturity Date/Final Redemption Date into an open-ended Investment Strategy /Plan and this shall be in accordance with the SEBI (MF) Regulations. The close-ended Investment Strategy /Plan may be converted into open-ended Investment Strategy,

(a) if the ISID of such Investment Strategy/Plan disclose the option and the period of such conversion; or

(b) the Unitholders of such close-ended Investment Strategy/ Plan are provided with an option to redeem their Units in full before such conversion.

A close-ended Investment Strategy shall be fully redeemed at the end of the maturity period. Provided that a close ended Investment Strategy may be allowed to be rolled over if the purpose, period and other terms of the roll over and all other material details of the Investment Strategy including the likely composition of assets immediately before the roll over, the net assets and net asset value of the Investment Strategy, are disclosed to the Unitholders and a copy of the same has been filed with SEBI. Provided further that such roll over will be permitted only in case of those Unitholders who express their consent in writing and the Unitholders who do not opt for the roll over and/or have not given their written consent shall be allowed to redeem their unitholding in full at net asset value based price. A closed-ended Investment Strategy /Plan shall be wound up on the expiry of duration fixed for such Investment Strategy /Plan on the redemption of the Units unless it is rolled over for a further period under sub-regulation (4) of Regulation 30 of SEBI (MF) Regulations.

In terms of SEBI (MF) Regulations, the Investment Strategy may be wound up as provided in (B) below.

(ii) Open - Ended/Interval Investment Strategies - An Open-ended/Interval Investment Strategy has a perpetual life. However, in terms of SEBI (MF) Regulations, the Investment Strategies may be wound up as provided in (B) below.

(iii) Close - Ended Investment Strategies with automatic conversion into Open-Ended Investment Strategy upon Maturity - Such Investment Strategies will remain close-ended for the period mentioned in the ISID and subsequently the Investment Strategy will automatically be converted into an open ended Investment Strategy without any further reference from the SIF/Trustee/AMC/Unitholders. Thereafter, the duration of the Investment Strategy would be perpetual. However, in terms of SEBI (MF) Regulations, the Investment Strategy may be wound up as provided in (B) below.

(B) Winding Up

(i) A Investment Strategy of the SIF may be wound up, after repaying the amount due to the Unitholders:

(a) on the occurrence of any event which, in the opinion of the Trustees, requires the Investment Strategy to be wound up;
(b) if seventy-five per cent of the Unitholders of a Investment Strategy pass a resolution for its winding up; or
(c) if SEBI so directs in the interest of the Unitholders.

Further, in case of non-fulfilment of clause 7.19 of Master Circular relating to Minimum Number of Investors in Investment Strategies/Plans of SIFs the provisions of Regulation 36(2) (c) of SEBI (MF) Regulations, would become applicable automatically without any reference from SEBI. Accordingly, the Investment Strategies shall be wound up by following the guidelines laid down by SEBI. Please refer to the ISID of respective Investment Strategies for more details.

Where an Investment Strategy is to be wound up pursuant to sub clause (i) above, the Trustees shall, within one day, give notice disclosing the circumstances leading to the winding up of the Investment Strategy:
(a) to SEBI; and
(b) in two daily newspapers having nationwide circulation and in one vernacular newspaper circulating at the place where the SIF is formed.

Effect of Winding Up

On and from the date of the publication of the notice as stated above, the Trustees or the AMC as the case maybe, shall (a) cease to carry on any business activities in respect of the Investment Strategy being wound up; (b) cease to create or cancel Units of the Investment Strategy ; (c) cease to issue or redeem Units of the Investment Strategy ; (d) list the units of Investment Strategy under winding up on a recognised stock exchange.

Procedure and Manner of Winding Up of Investment Strategies

In the event of the Investment Strategy being wound up as above- mentioned, the AMC shall proceed as follows:
1. The Trustees shall call a meeting of the Unitholders of the Investment Strategy to consider and pass necessary resolutions by simple majority of Unitholders present and voting at the meeting for authorising the AMC and/or any other person/agency to take necessary steps for winding up of the Investment Strategy. Provided that a meeting shall not be necessary if the Investment Strategy is/are wound up at the end of the maturity period. The trustees shall call a meeting of the unitholders to seek approval with simple majority of the unitholders authorizing the trustees or any other person to take steps for winding up of the Investment Strategy;
2. The trustees or any other person shall proceed with the winding up as directed by SEBI or in the manner otherwise specified by the SEBI for winding up of the Investment Strategy;

(a) The Trustees or the person so authorised as above, shall dispose of the assets of the Investment Strategy in the best interests of the Unit holders;
(b) The proceeds realised from the sale of assets in pursuance of the above shall be; (i) first, utilised towards discharging all that are due and payable under the Investment Strategy; and (ii) thereafter, making appropriate provisions for expenses connected with the winding up, paid to the Unitholders in proportion to their respective interests in the assets of the Investment Strategy as on the date on which the decision for the winding up was taken.

3. Upon completion of the winding up, the Trustees shall submit to SEBI and to the Unitholders, a report on the winding up containing particulars such as circumstances leading to the winding up, steps taken for disposal of assets of the fund before winding up, expenses incurred in connection with the winding up, net assets available for distribution to the Unitholders and a certificate from the auditors of the fund.
4. Notwithstanding anything contained herein, the application of the provisions of SEBI (MF) Regulations in respect of disclosures of half-yearly and annual reports shall continue to be applicable until winding up is completed or the Investment Strategy ceases to exist.

5. After the receipt of report referred above under “Procedure and Manner of Winding up” if SEBI is satisfied that all measures for winding up of the Investment Strategy have been complied with by the AMC, SEBI shall record and communicate to trustees that the Investment Strategy ceases to exist.

- **Permanent Account Number**

  SEBI has made it mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/ her permanent account number (PAN) irrespective of the amount of purchase* [Except as given under PAN Exempt Investments]. Where the applicant is a minor, and does not possess his/ her own PAN, he/she shall quote the PAN of his/her father or mother or the legal guardian, as the case may be. However, PAN is not mandatory in the case of Central Government, State Government entities and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market. PAN card copy is not required separately if KYC acknowledgement letter is made available with PAN number. H-SIF reserves the right to ascertain the status of such entities with adequate supporting documents. Also, investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN, subject to the AMC verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence.

  No Redemption and related transaction(s) will be processed, in case PAN is not updated in the folios. Accordingly, such unitholders will have to submit the redemption and related transactions along with a self-attested copy of PAN, for all the jointholders. Such request will be processed only after successful validation of the PAN with the Income Tax Department’s portal. If the PAN validation fails, or if the request is not accompanied with a copy of the PAN card, such request will not be processed. Such Unitholders will have to resubmit the transaction request along with self-attested copy of valid PAN card.

  In order to verify that the PAN of the applicants (in case of application in joint names, each of the applicants) has been duly and correctly quoted therein, the applicants may attach along with the purchase* application, a photocopy of the PAN card duly self-certified along with the original PAN Card. The original PAN Card will be returned immediately across the counter after verification. The photocopy of the PAN card is not required if KYC acknowledgement issued by CVL is made available.

  *includes fresh/additional purchase, switch, Systematic Investment / Transfer and Reinvestment of IDCW/Transfer of IDCW.

  For reinvestment/payout of IDCW Investor is required to provide valid PAN which is KYC Compliant for processing of such reinvestment/payout, failing which the IDCW shall be automatically transferred to unclaimed.

  Valid PAN and KYC is mandatory for all financial transactions including non-investor initiated.

  In accordance with Section 262 of the Income Tax Act, 2025, every person who has been allotted a PAN as on July 1, 2017, and who is eligible to obtain an Aadhaar number, shall have to mandatorily link their Aadhaar and PAN failing which the PAN will be inoperative thereby attracting higher TDS and transaction restrictions.

  Note: Presently, Aadhaar-PAN linking does not apply to any individual who is (a) residing in the States of Assam, Jammu and Kashmir and Meghalaya; (b) a non-resident as per the Income Tax Act, 2025 (NRI as per Income Tax records); or (c) of the age of eighty years or more at any time during the previous year; or (d) not a citizen of India. However, these exemptions may change or be revoked later.

  Applications not complying with the above requirement may not be accepted/processed.

Additionally, in the event of any application form being subsequently rejected for mismatch of applicant's PAN details with the details on the website of the Income Tax Department, the investment transaction will be cancelled and the amount may be redeemed at the applicable NAV, subject to payment of exit load, if any.

Please contact any of the Investor Service Centers/CAMS/ Distributors or visit our webpage hsif.hdfcfund.com for further details.

- **Non-PAN exempt folios**

  As per the directives issued by SEBI from time to time, it is mandatory for all investors to update the Permanent Account Number (PAN) (unless they are exempt from furnishing PAN*) in their SIF folios (such folios are hereinafter referred to as "non-PAN exempt folios"). All joint holders are required to update their PAN in their folio. In case of folios of minors, where the minor does not possess a PAN, it is mandatory to update the PAN of the father, mother or court appointed legal guardian of the minor.

  As per recent SEBI's directive, SIFs are required not to process redemption and related transaction(s) in case PAN is not updated in the non-PAN exempt folios. Accordingly, such Unitholders will have to submit the redemption and related transactions along with a self-attested copy of PAN, for all the jointholders. Such request will be processed only after successful validation of the PAN with the Income Tax Department's portal. If the PAN validation fails, or if the request is not accompanied with a copy of the PAN card, such request will not be processed. Such Unitholders will have to resubmit the transaction request along with self-attested copy of valid PAN card.

  Unitholders are advised to update the PAN in their folio using 'Common Transaction Request – Non-Financial Transaction Form' available on our webpage hsif.hdfcfund.com.

  *Unitholders exempt from furnishing PAN are Central Government, State Government entities and the officials appointed by the courts e.g. Official liquidator, Court receiver; residents of Sikkim; Individual Investors who invest under PAN exempt Micro-investments.

- **Joint Holders**

  If an application has more than one investor, (maximum three permitted) the investors are required to specify the 'mode of holding' in the initial application form as either 'Joint' or 'Anyone or Survivor'. In the event, the investors fail to specify the mode of holding, then by default, the mode of holding will be treated as 'joint' for all future purposes by the AMC in respect of the folio. In case the mode of holding is specified as 'Joint', the financial and non-financial transaction requests and instructions should be signed by all the Unitholders of the folio. In case the mode of holding is specified as 'Anyone or Survivor', any one of the Unitholders as mentioned in the initial application form may sign the financial and non-financial transaction requests and instructions except for lien requests and appointment of nominee/cancellation of nominee, where signature of all the Unitholders are required. However, in both the above scenarios, the account statements, notices, statutory statements, correspondences with respect to the folio/s, redemptions, IDCW and any other distribution proceeds that may be declared by the SIF from time to time will be paid to the first-named Unitholder. The SIF/AMC shall have no liability in this regard to any other Unitholder other than the first named holder of Units. In addition, such first named Unitholders shall have the voting rights, as permitted, associated with such Units, as per the applicable guidelines. In case of death/insolvency of any one or more of the Unitholder/s in the folio, the AMC shall not recognise any person(s) other than the remaining Unitholder/s. It is however clarified that if any order/direction/instruction to the contrary is issued by any Governmental/judicial/quasi-judicial authority, the AMC/ SIF may act in compliance with the same. In all such cases, the redemptions, IDCW and other distributions as may be declared by the SIF from time to time shall be paid to the first-named of the remaining Unitholder/s or as the case may be. For Units held in Electronic

(Demat) Mode for DP account held in joint names, the rules of the Depository for operation of such DP accounts will be applicable.

For Units held in Electronic (Demat) Mode
For DP account held in joint names, the rules of the Depository for operation of such DP accounts will be applicable.

- **Investments on Behalf of Minor**
  In addition to the existing procedures, the following procedures shall apply to the investments made on behalf of Minors:
  (i) The minor shall be the sole Unitholder in a folio. Joint holders will not be registered.
  (ii) Investments in the name of minors shall be permitted only from bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.
  (iii) Copies of birth certificate/passport evidencing the date of birth of the minor, relationship proof of the natural parent/ Court Order appointing the legal guardian (as the case may be) should be mandatorily provided while placing a request for subscription on behalf of a minor investor.
  (iv) The AMC/SIF will register standing instructions like SIP/STP/SWAP etc. for a folio held by a minor Unitholder (either for existing folio or new folio) from the parent/legal guardian only till the date when the minor Unitholder attains the age of majority, even though such instructions may be for a period beyond that date.

- **Change of Status from Minor to Major:**
  Prior to the minor Unitholder attaining the age of majority, the AMC/SIF will send a notice to the minor Unitholder at the registered correspondence address/email id advising such minor Unitholder to submit, on attaining the age of majority, an application form along with prescribed documents to change the status of the folio/s from 'minor' to 'major'. Upon attainment of majority by the minor Unitholder, the folio/s should be regularized forthwith. The AMC may specify such procedures for regularisation of the Folio/s, as it may deem appropriate from time to time. Till the receipt of such intimation/information from the minor turned major Unitholder, existing contract as signed by the parent/legal guardian of the minor Unitholder will continue. However, from the date of attainment of majority, Folio/s of the minor Unitholder will be frozen for operation by the representing guardian and all transactions will be suspended. No transactions will be permitted in the Folio(s) till the regularization of the Folio/s in a manner prescribed by the AMC/SIF.

  The AMC/SIF will register standing instructions like SIP/STP/SWAP etc. for a folio held by a minor Unitholder from the parent/legal guardian only till the date when the minor Unitholder attains the age of majority, even though the instructions may be for a period beyond that date.

- **Change of Guardian:**
  In case of change of natural parent/legal guardian of a minor Unitholder, the new parent/legal guardian must submit the documents prescribed by the AMC/SIF, including the following:
  (a) No Objection Certificate (NOC) or Consent Letter from existing parent or Court Order appointing new legal guardian for the benefit of the minor Unitholder.
  (b) KYC Acknowledgment Letter of new parent/legal guardian.

- **Pledge/Lien of Units**
  The Units standing to the credit of the Unit holder under the Investment Strategies (subject to completion of Lock-in Period, if any) may be offered by the Unitholder as security in favour of scheduled banks, financial institutions, Non-Banking Financial Companies (NBFC's) or any other persons ("Lender") subject to applicable SEBI Regulations and other laws, provided such Lenders are eligible to hold the Units. Upon a specific authorisation request made by the Unitholder (to be signed by all Unitholders, in case the mode of holding is joint or either or survivor) and completion of necessary documentary formalities, the SIF/AMC will instruct the Registrar to mark a pledge/lien

on the Units in favour of the Lender on the Units as may be requested by the Unitholder. A standard form for this purpose is available on request from any of the ISCs. Disbursement/sanctioning of loans/facilities will be at the sole discretion of the Lender and the SIF/AMC assumes no responsibility thereof. The Unitholder will not be able to redeem/switch-out the Units that are pledged/lien marked in favour of the Lender until the SIF/AMC receives a written authorization from the Lender that the Unitholder has been absolved of the financial obligations and that the pledge/lien may be removed/vacated. As long as the Units are pledged/lien marked, the Lender will have complete authority to redeem/transact in respect of such Units. If by enforcing the pledge/lien, the Lender seeks to transfer the Units in its own name, then in such event the SIF/AMC shall be obliged to comply with the said request, provided the Lender or such other entity, as the case may be, is eligible to hold the units and all the necessary documentary evidence is made available to the satisfaction of the SIF/AMC. Upon such transfer, the SIF/ AMC shall be discharged of all its liabilities in respect of the Units towards the Unitholder.

An intimation of the invocation of the pledge/lien will be sent to the Unitholder. The SIF/AMC thereafter shall not be responsible for any claims made and/or losses incurred by the Unitholder and/or any third party in this regard. In case the Units of close-ended Investment Strategy are under pledge/lien, then at the time of maturity of the Investment Strategy if the Units are still under pledge/lien, then on the failure to receive any instructions from the Lender and the Unitholder, the SIF/AMC reserves the right to pay the maturity proceeds to the Unitholder, post intimation of such payment to the Lender, and AMC/SIF shall not be liable/responsible for any loss incurred by the Lender and/or the Unitholder on account of such payment. The AMC/SIF shall also not be liable/responsible for any delay in payment of the maturity proceeds in such an event. Upon such payment, the SIF/AMC will be discharged of all its liabilities towards such Unitholder.

The distribution of income in the nature of IDCW payouts declared on Units under pledge/lien shall always be paid to the Unitholder. The SIF/AMC reserves the right to change the operational guidelines for this facility offered by the AMC from time to time.

- **For Units held in Electronic (Demat) Mode**
  For Units of the Investment Strategies held in electronic (Demat) form, the rules/bye-laws of Depository applicable for lien/pledge will be applicable to the Units of the Investment Strategies.

- **Powers To Remove Difficulties**
  If any difficulty arises in giving effect to the provisions of the Investment Strategy, the Trustee may take such steps that are not inconsistent with these provisions which appear to them to be necessary and expedient, for the purpose of removing difficulties.

- **Powers To Make Rules**

  The SIF/AMC may from time to time prescribe such forms and make such rules for the purpose of giving effect to the provisions of the Investment Strategy, and add to, alter or amend all or any of the forms and rules that may be framed from time to time in the interest of the Investors.

C. GENERAL INFORMATION

1. Inter- Investment Strategy transfer of investments:

Transfers of investments from one Investment Strategy to another Investment Strategy in the same SIF shall be allowed only if -

(a) such transfers are done at the prevailing market price for quoted instruments on spot basis.
Explanation: “spot basis” shall have same meaning as specified by stock exchange for spot transactions.

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

2. Aggregate investment in the Investment Strategy under the following categories:

In accordance with SEBI Master Circular for Mutual Funds dated March 20, 2026, please find below the aggregate investment in the respective Investment Strategy by Board of Directors of HDFC Asset Management Company Limited (AMC) and key personnel:

Name of Investment Strategy	**Aggregate amount invested in the Investment Strategy as on August 31, 2026 (market value in Rs.)**		
	AMC's Board of Directors	Key personnel (excluding Fund Manager)	Fund Manager
Nil	NA	NA	NA

3. Dematerialisation and Rematerialisation procedures

The Applicants intending to hold the Units in dematerialized mode will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/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.

The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form within five working days from the date of close of NFO/date of receipt of application during the Continuous Offer Period. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. Units held in demat form are freely transferable.

If the Unit holder desires to hold the Units in a Dematerialized/Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted along with a Demat/Remat Request Form to their Depository Participants. The AMC/RTA will endeavour to credit the units in the demat account of the investor within 2 working days from the date of receipt of valid request with complete details.

However, the Trustee/AMC reserves the right to change the dematerialization/rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and Regulations thereunder.

4. ASBA disclosures

Please refer to details regarding ASBA provided under Point No. 26 of Section titled "**How to Apply" of SAI**.

5. Portfolio Turnover Details

Portfolio Turnover measures the volume of trading that occurs in a Investment strategy's portfolio during a given time period. In case of an open-ended investment strategy, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Portfolio turnover of Investment Strategy is subject to the exigencies and needs of the Investment Strategy. A higher portfolio turnover results in higher brokerage and transaction cost.
Close-ended investment strategy generally follow a buy-and-hold strategy. Hence, the portfolio turnover is likely to be lower.

Investors' Personal Information and disclosure of Personal Information to third parties:

The AMC, being a SEBI registered intermediary governed by the provisions of SEBI (Intermediaries) Regulations, 2008 read with SEBI Master Circular no. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023 on Know Your Client (KYC) norms for the securities market is authorised to collect information/relevant KYC documents relating to investor(s) in connection with KYC process of investor(s) and in connection with the transactions executed by such investor(s). The Fund and the AMC recognize the importance of protecting the Personal Information of its Investor(s) (as defined in the Privacy Policy) and the documents so furnished, and have established policies and procedures in place for appropriate handling and for maintaining confidentiality and secrecy of the Personal

Information of its Investor(s) and the KYC documents. As per the Code of Conduct for intermediaries stipulated by SEBI (Intermediaries) Regulations, 2008, the intermediaries shall not divulge to anybody, either orally or in writing, directly or indirectly, any confidential information about its clients/investors, which has come to its knowledge, without taking prior permission of its clients/investors except where such disclosures are required to be made in compliance with any law for the time being in force and is in line with the Privacy Policy. The Personal Information provided in the Investment Strategy application form/s, any transaction document and/or provided by Investor(s) shall be governed by the terms of the Privacy Policy as displayed on the www. hdfcfund.com ("Website"). By subscribing to the Unit/s of the Investment Strategies the Investor(s) are deemed to have consented for the usage of the Personal Information as stated herein and in the Privacy Policy.

In case of Unitholder(s) whose mobile number and e-mail addresses are registered, the Mutual Fund/AMC will send via email/sms a feedback form, survey etc. for a better understanding of the overall customer experience. The Unitholder(s) consent to HDFC AMC for receiving such feedback forms, survey etc. via email/SMS.

Personal Information collected by the AMC in the physical form and through the Website may be converted and stored in electronic form by the AMC and/or its Registrar, CAMS at its sole discretion for the purposes mentioned in the Privacy Policy.
Personal Information of an Investor, as defined in the Privacy Policy, shall mean such information that is of a confidential nature and may include any information that relates to a natural person, which, either directly or indirectly, is capable of identifying such Investor. The type of Personal Information collected from an Investor shall include, but may not be limited to, full name, address, mobile number, e-mail address and any other information in accordance with applicable laws, including the Digital Personal Data Protection Act, 2023 and rules made thereunder and as may be required by AMC and/or its Registrar from time to time in order to provide services to the Investor(s).

The AMC reserves the right to use the Personal Information and to share/disclose the same with third parties as stated in the Privacy Policy. Notwithstanding anything contained in the Privacy Policy, the AMC may also share, disclose, or remit in any form, mode or manner, all/any of the Personal Information collected from the Investor(s), including all changes and updates thereto, as and when provided, with any Indian or foreign governmental authority including but not limited to the RBI, SEBI, Income Tax Authority, Financial Intelligence Unit –India (FIU-IND), or any other judicial and quasi judicial authorities or investigation agencies, to the extent required by such authority, without any obligation of advising/informing Investors/Unit holder(s) about the same. The AMC may also share/exchange with other SEBI registered intermediaries on a reciprocatory basis the Personal Information, including information on FATCA/CRS/UBO and/or any details of transaction(s) undertaken by the Investor(s) for single updation/submission for operational/ administrative convenience of the AMC and also to enable the AMC to serve the Unitholder(s) better. These third parties shall be bound by confidentiality arrangements when handling the Investor(s) Personal Information requiring that such information only be used for the limited

purpose for which it was shared. The AMC shall not make any disclosures of the Personal Information to any third party for the purpose of marketing their products or services to the Unitholder(s). The AMC may delegate to another entity/third party service provider including to its Sponsor, its subsidiaries, associates, or any group company of the Sponsor, either established or to be established at a later date (the "Service Providers"), the processing of the Personal Information and/or distributor communications, to the extent permitted by the applicable laws and SEBI (MF) Regulations. For any further information please refer to the Privacy Policy displayed on the Website.

The AMC can also share Investors' Personal Information with its associates or Group companies of the Sponsor or any other Organisations/Authorities/Bodies for compliance with any group, legal or regulatory requirements, including, but not limited to, compliance with anti-money laundering, sanctions and/or any other financial crime control risk management requirements.

Extract of Privacy Policy:

To the extent required or permitted under law, we may share your Personal Information for the uses mentioned herein with the following third parties:

- The Sponsor or its associates, Subsidiaries, Trustee Company, Registrar and transfer agent/s, call centers, Banks, custodians, depositories and/or authorized external third parties who are involved in transaction processing, despatches, etc., of investors' investment with us;
- Distributors or Sub-brokers through whom applications of investors are received for the investments; or

- Entities involved in data analysis, data management, data storage etc., for various purposes including but not limited to reporting, audit, investigations, record keeping etc.

- Any other organization for verifying the identity of investors for complying with anti-money laundering requirements.

- Any governmental authority including but not limited to the Reserve Bank of India or the Securities and Exchange
- Board of India.

- We may share your investment account and transaction details and other Personal Information with the intermediaries, whose ARN stamp appears on the application forms/ transaction slips.

- We may share your details with certain third parties such as post office, local and international couriers and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through Electronic Clearing Services (ECS), NEFT
- etc.

For further details on Privacy Policy refer our website.

Investment Decisions:

The Investment Committee comprising Head-Equities & Fund Manager(s) - Equities & Commodities (for equity/commodities related matters), Head-Fixed Income & Fund Manager(s) – Debt (for debt related matters), and Chief Compliance Officer will inter alia lay down the fund's investment philosophy, policy and processes/procedures, review the performance/portfolios of the Investment Strategies, monitor the credit ratings of debt exposures (fixed income), etc. Fund Manager(s) shall be responsible for taking investment/divestment decisions for their respective Investment Strategy and for adhering to the Fund's investment philosophy policy and processes/procedures. Investment decisions shall be recorded by the respective Fund Manager(s) along with reasons for the same.

Research reports, both internal and external, covering inter alia factors like business outlook, financial analysis, valuation, etc. shall assist the Fund Manager(s) in the decision making. Credit exposure limits shall be set and reviewed by the Head-Fixed Income and Fund Manager(s) - Debt. Head-Equities, Head-Fixed Income and the Investment Committee reports to the Managing Director & CEO. Investment decisions are taken by the Fund Manager(s) of the respective Investment Strategies and the Managing Director & CEO does not play any role in the day-to-day investment decisions. The Managing Director & CEO of the AMC shall ensure that the investments made by the Fund Managers are in the interest of the Unit holders.

Periodic presentations will be made to the Board of Directors of the AMC and Trustee Company to review the performance of the Investment Strategies.

Soft Dollar Arrangements

In terms of Clause 11.8 of SEBI Master Circular, soft dollar arrangements between the AMCs and brokers should be limited to only benefits (like free research report, etc.) that are in the interest of investors and the same should be suitably disclosed.

In this context, HDFC Asset Management Company Limited ('the AMC')/HDFC Mutual Fund ('the Fund') do not have any Soft-dollar arrangement with brokers. However, brokers do provide information based services like free research reports etc. Also dedicated hot-lines are set up by few brokers which are used for execution of trades. The hot lines aid execution of trades.
Further, the AMC/the Fund are under no obligation to provide business to any broker in lieu of these services.

Borrowing by the SIF:
Under the SEBI (MF) Regulations, the SIF shall not borrow except to meet temporary liquidity needs for the purpose of repurchase or redemption of units or payment of interest or Income Distribution cum Capital Withdrawal payout to the unitholders.

The borrowing specified above shall be subject to:
(a) such borrowing not exceeding twenty per cent of the net assets of the Investment Strategy; and
(b) duration of such borrowing not exceeding a period of six months

The SIF is permitted to undertake intraday borrowing for addressing timing mismatch between outflows and inflows of an Investment Strategy, subject to such conditions as specified by SEBI.

The SIF may raise such borrowings after approval by the Trustee from Sponsors or any of their Associate/Group Companies or Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee.

- **Issue of Bonus Units**
  In the interest of the Unit holders and smooth functioning of the Fund, at an appropriate time, the Asset Management Company may decide to issue Bonus Units to all existing Unitholders. For such declaration, the Fund will announce a Record Date/Book Closure and all Unitholders whose names appear in the Register of Unitholders as on the Record Date/ Book Closure shall be eligible to be issued such Bonus Units. These Units will be pari-passu with the original Units. Bonus Units so issued will be credited to the Unitholders' folios(s). Pursuant to allotment of Bonus Units, the per Unit NAV would fall in proportion to the Bonus Units allotted and as a result the total value of Units held by the Unitholder would remain the same. The issue of such Units will increase the number of Units held by the Unitholder in the Investment Strategy and so also the total number of Units outstanding in the Investment Strategy. Fresh account statements will be sent to all Unitholders after the allotment of bonus Units.

- **Consolidation of Folios**
  In case an investor holds investments in multiple folios under the Fund, the investor can opt for consolidation of such folios into one folio (Target folio) by sending a written request to the SIF/AMC. The SIF/AMC will process such requests subject to verification of criteria's viz. mode of holding, bank mandate, tax status, mode of operation and nomination details in the source Folio and other confirmations/ requirements, etc. as may be requested from the investors.

- **E-mail Communication**
  For those Unitholders who have provided an e-mail address, the AMC will send the communication by e-mail.

  It is deemed that the Unitholder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.

- **Webpage**
  The webpage (hsif.hdfcfund.com) is intended for the use of Resident Indians, Non Resident Indians, persons of Indian Origin and Foreign Institutional Investors registered with SEBI. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular the information is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited. Any persons resident outside India who nevertheless intend to respond to this material must first satisfy themselves that they are not subject to any local requirements, which restrict or prohibit them from doing so. Information other than that relating specifically to the AMC/ Fund and its products is for information purposes only and should not be relied upon as a basis for investment decisions. The Fund/AMC cannot be held responsible for any information contained in any webpage linked from the SIF webpage.

- **Investment Strategies to be binding on the Unit holders**
  Subject to the SEBI (MF) Regulations, the Trustee may, from time to time, add or otherwise vary or alter all or any of the features of investment options/facilities and terms of any of the Investment Strategies after obtaining the prior permission of SEBI and Unitholders (where necessary), and the same shall be binding on all the Unitholders of such Investment Strategy and any person or persons claiming through or under them as if each Unitholder or such person expressly had agreed that such features and terms shall be so binding. Any additions/variations/alterations shall be done in accordance with the SEBI (MF) Regulations. Any change in fundamental attribute of the Investment Strategies shall be done only in accordance with Regulation 22(9)(C) of SEBI (MF) Regulations

  Associate Transactions

  The AMC may, from time to time, for the purpose of conducting its normal business, use the services (including Brokerage services and securities transactions) of the Sponsors, subsidiaries, group companies, associates of the AMC or and their employees or relatives. The said list as on August 31, 2026 is as follows:

  1. HDFC Trustee Company Limited
  2. HDFC Sales Private Limited
  3. Griha Investments
  4. Griha Pte Limited
  5. HDFC Securities Limited
  6. HDFC Securities IFSC Limited
  7. HDB Financial Services Limited
  8. HDFC Capital Advisors Limited
  9. HDFC Asset Management Company Limited
  10. HDFC AMC International (IFSC) Limited
  11. HDFC ERGO General Insurance Company Limited

12. HDFC Pension Management Company Limited
13. HDFC International Life and Re Company Limited
14. HDFC Life Insurance Company Limited
15. Renaissance Investment Solutions ARC Private Limited
16. First Housing Finance (Tanzania) Limited
17. HDFC Plc. Maldives
18. Tamil Nadu Urban Infrastructure Financial Services Limited
19. Tamil Nadu Urban Infrastructure Trustee Company Limited
20. GVFL Limited
21. India Debt Resolution Company Limited
22. International Asset Reconstruction Company

The AMC may utilise the services of Sponsor, group companies and any other subsidiary or associate company of the Sponsor established or to be established at a later date, in case such a company (including their employees or relatives) is in a position to provide the requisite services to the AMC. Further, the investment strategies may invest in the securities issued by associates or group companies of the Sponsor/the AMC.

The AMC will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI (MF) Regulations, after evaluation of the competitiveness of the pricing offered by the Sponsors, associate companies (including their employees or relatives) and the services to be provided by them.

Associate transactions, if carried out, will be as per the SEBI (MF) Regulations and the limits prescribed thereunder. The investment strategy shall not make any investments 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.

E. Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- No objection from SEBI to establish SIF
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

Investor Grievances Redressal Mechanism

Investors may contact any of the Investor Service Centres (ISCs) of the AMC for any queries/clarifications at telephone number 180030106767 (toll free), e-mail: hello@hdfcfund.com. Investors can also post their grievances/feedback/suggestions on our webpage

hsif.hdfcfund.comunder the section ''Feedback or queries'' appearing under 'Contact Us'. The Head Office of the AMC will follow up with the respective ISCs to ensure timely redressal and prompt investor services. Mr. Sameer Seksaria, Head - Client Services can be contacted at HDFC House, 4th Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020 at telephone number (022) 66316333 or e-mail: hello@hdfcfund.com.

Investor complaints history for the last three fiscal years - Not applicable

G. Information pertaining to Investments by the Investment Strategies of SIF

1. Derivative strategies

Basic Structure of an Index Future: (For equity-oriented Investment Strategy)
Index Futures are instruments designed to give exposure to the equity market indices. BSE Limited and the National Stock Exchange of India Limited have started trading in index futures of 1, 2 and 3-month maturities. The pricing of an index future is the function of the Underlying Index and short term interest rates.
Example:
Assumptions:
1 month BSE 30 Future
Spot Index: 4900
Future Price on day 1: 4920
The Fund buys 10,000 futures contracts. On the date of settlement
Future price = Closing spot price = 4950
Profits for the Fund = (4950-4920)*10000 = Rs. 300,000 + interest for the 1 month period.
Please note that the above example is given for illustration purposes only.
The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity) plus interest costs on funds that would otherwise be invested in stocks comprising the index. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and/or mispricing of the future at any time during the life of the contract.
The strategies below are given for illustration purposes only. Some of the strategies involving derivatives that may be used by the Investment Manager, with an aim to protect capital and enhance returns include:

Strategy Number 1
Using Index Futures to increase percentage investment in equities
This strategy will be used for the purpose of generating returns on idle cash, pending its investment in equities. The Investment Strategy is subject to daily flows. There may be a time lag between the inflow of funds and their deployment in stocks. If so desired, the Investment Strategy would be able to take immediate exposure to equities via index futures. The position in index futures may be reversed in a phased manner, as the funds are deployed in the equity markets.
Example:
The Investment Strategy has a corpus of Rs. 50 crore and there is an inflow of Rs. 5 crore in a day. The AMC may buy index futures contracts of a value of Rs. 5 crore. Later as the money is deployed in the underlying equities, the value of the index futures contracts can be suitably reduced.

Portfolio	Event	Equity Portfolio gain/(Loss) (Rs. in crore)	Derivative gain/(Loss) (Rs. in crore)	Total Portfolio gain/(Loss) (Rs. in crore)
Rs. 50 Crore equity exposure	10% rise in equity prices	5	Nil	5
Rs. 50 Crore equity exposure + Rs. 5 Crore long position index futures	10% rise in equity prices	5	0.5	5.5
Rs. 50 Crore equity exposure	10% fall in equity prices	(5)	Nil	(5)
Rs. 50 Crore equity exposure + Rs. 5 Crore long position index futures	10% fall in equity prices	(5)	(0.5)	(5.5)

Strategy Number 2
Downside Protection Using Stock Put
As a stock hedging strategy, the purchase of a put option on an underlying stock held would lead to a capping of the loss in value of the stock in the event of a material decline in the stock's price.
The purchase of a put option against a stock holding in the Investment Strategy gives the Investment Strategy the option of selling the stock to the writer of the put at the predetermined level of the Put Option, called the strike price. If the stock falls below this level, the downside for the Investment Strategy is protected as it has already locked into the selling price. In case of a fall in the stock's price below the strike price, the value of the Put Option appreciates, approximately corresponding to the extent of the stock's price fall below the strike price.

Example:
Let us assume 20000 shares of XYZ Limited held in the portfolio with a market value of Rs. 1000 per share (overall Rs. 2 crores). The Investment Strategy purchases put options on the stock of XYZ Limited (not exceeding its holding of 20000 shares) with a strike price of Rs. 990 for an assumed cost (called Option Premium) of Rs.15 per share (Rs. 3 lakhs for 20000 shares).
By purchasing the above Put Option, the Investment Strategy has effectively set a floor to the realisation from the stock at Rs. 975 per share (Rs. 990 strike price less Rs. 15 Option Premium paid).
In case the stock price of the company falls below Rs. 975 per share, the gain in the price of the Put Option when added to the actual market price of the stock would bring the sale realisation per share close to Rs. 975 per share.
After purchasing the above Put Option, in case the price of the stock appreciates, remains around Rs. 1000 or declines slightly to remain above the strike price, the Investment Strategy may not avail of the option and the cost for having bought the option remains fixed at Rs. 15 per share.
In effect, a floor (in this case effectively Rs. 975) is set to the stock by buying an Option at a cost that is known (in this case Rs. 15 per share).

Strategy Number 3
Using Call option on Index to increase percentage investment in equities
This strategy will be used for the purpose of participating in the upside of the market.
Example:
Suppose, the Investment Strategy has a corpus of Rs. 100 crore and the Investment Strategy on January 31, 2021 buys upto maximum 20% of the total assets into Index call option wherein strike

price of underlying benchmark index is 10,000 and the premium on each call option for expiry after 3 years i.e. February 01, 2024 was at Rs. 2,000.
Based on the above strategy the total assets of the Investment Strategy will be as under:

Existing Investment Strategy Net Assets		Revised Investment Strategy Total Assets	
Asset Type	**Rs. in crores**	**Asset Type**	**Rs. in crores**
Equity	70	Equity	70
Net Current Assets	30	Option Premium*	20
		(20% of 100 crores)	
		Net Current Assets	10
Total Assets	**100**	**Total Assets**	**100**

*Option premium paid is to take an additional exposure of around Rs. 100 crores of equities. Therefore, the total exposure to equity assets due to the said strategy will be around Rs. 170 crores (i.e. Rs. 70 crores + Rs. 100 crores). Assuming the market index goes up the value of call option will increase. Thus, one can participate in the upside of the market as shown in the table below.

Date	**Closing value of underlying benchmark index**	**Call Premium/ value at expiry (Rs.)**
31/01/2021	10,000	2,000
February 01, 2024	12,400	2,400

Thus, the gain on the above strategy for the Investment Strategy will be Rs. 400 (Rs. 2,400 - Rs. 2,000) on each call option.

Strategy Number 4
Using Put option on Index to minimize downside in equities
This strategy will be used for the purpose of hedging against downside in the market and capping the maximum loss in such a scenario.
Example:
Suppose, the Investment Strategy has a corpus of Rs. 100 crore and the Investment Strategy on January 31, 2021 buys 6% of the total assets into At-the-money Index put option wherein strike price of underlying benchmark index having expiry February 01, 2023 index put option is Rs 10,000, bought at a premium of Rs. 600.
Based on the above strategy the total assets of the Investment Strategy will be as under:

Existing Investment Strategy Net Assets		Revised Investment Strategy Total Assets	
Asset Type	**Rs. in crores**	**Asset Type**	**Rs. in crores**
Equity	100	Equity	94
		Option Premium*	6
Total Assets	**100**	**Total Assets**	**100**

*Option premium paid is to take downside exposure to Rs. 94 crore in underlying benchmark index. Therefore, the total exposure to long equities is Rs 94 crore and participation in downside of underlying benchmark index is Rs 94 crore through the option.

Date	**Closing value of underlying benchmark index**	**Put Premium/ value at expiry (Rs.)**
January 31, 2021	10,000	600
February 01, 2023	9,000	1,000

Thus, the overall gain on the above put option for the Investment Strategy will be Rs 400 (Rs. 1,000 - Rs. 600) on each put option.

Covered Call Strategy
When the Fund sells a covered call (also known as writing a covered call), it would mean that the Fund would already be owning shares of the underlying stock and is selling a call which grants the buyer right, but not the obligation, to buy that stock at a set price until the option expires. The Fund would earn income known as option price or value (commonly known as the option premium) premium. An option's premium is based on several factors, like time value, intrinsic value, and implied volatility etc.

Illustration:
The Investment Strategy owns 100 shares of Company A. Current Market Price (**CMP**) is Rs.50/- per share. The Investment Strategy writes a covered call with a strike price of Rs.55/- and receives a premium of Rs.2.50 per share. Thus, the total premium received for selling the call option is Rs.250 (Rs 2.5*100 lot size). The call has an expiration date of 3 months.

On the day of expiration of options contract:
Scenario 1: The market price of Company A is below Rs.55/-, the Investment Strategy keeps the premium (Rs.250/-) and also the stock as the buyer would let the call expire as CMP is lower than the strike price.

Scenario 2: The market price of Company A moves above Rs.55/-, the buyer would exercise the option and the Investment Strategy will have to deliver the underlying stock to settle this obligation. The Investment Strategy will get the strike price (Rs.5500/-) plus the premium (Rs.250/-).
Benefits:
The key benefit of writing a covered call option is to generate additional income (i.e. the proceeds of the options sale or option premium) on a stock already owned by the Fund. This enhances returns on a security that, in the fund manager's view, is not expected to move in the short-term. It can also be used as an exit strategy for a long position.
The downside from fall in the stock price would be lower to the extent of the premium earned from the call option.

Strategies for Investment in Debt Derivatives as per derivative strategy
RBI and SEBI over the years vide various circulars have permitted Mutual Funds to participate in Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. These products were introduced for deepening the country's debt and money markets. The Investment Strategy may trade in these instruments or any new instrument permitted by SEBI for the purpose of hedging and portfolio balancing or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. SEBI has also permitted trading of interest rate derivatives through Stock Exchange.

Interest Rate Swaps (IRS)
All swaps are financial contracts, which involve exchange (swap) of a set of payments owned by one party for another set of payments owned by another party, usually through an intermediary (market maker). An IRS can be defined as a contract between two parties (Counter Parties) to exchange, on particular dates in the future, one series of cash flows, (fixed interest) for another series of cashflows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cashflows need not occur on the same date.
It may be noted that in such hedged positions (fixed v/s floating or vice versa), both legs of the transactions have interest rate volatility as underlying.

Basic Structure of a Swap
Assume that the Investment Strategy has a Rs. 20 crore floating rate investment linked to FBIL (Financial Benchmarks India Private Ltd) – Overnight MIBOR (Mumbai Inter Bank Offered Rate).

Hence, the Investment Strategy is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Investment Strategy can enter into a 6 month MIBOR swap. Through this swap, the Investment Strategy will receive a fixed predetermined rate (assume 7%) and pays the "benchmark rate" (MIBOR), which is fixed by the FBIL or any other agency such as Reuters, etc. This swap would effectively lock-in the rate of 7% for the next 6 months, eliminating the daily interest rate risk.

The steps will be as follows:

- Assuming the swap is for Rs. 20 crore June 1, 2023 to December 1, 2023. The Investment Strategy is a fixed rate receiver at 7% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say MIBOR).
- On June 1, 2023 the Investment Strategy and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by FBIL will be tracked by them.
- On December 1, 2023 they will calculate the following:
  - The Investment Strategy is entitled to receive interest on Rs. 20 crore at 7% for 183 days i.e. Rs. 0.7019 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
  - The counterparty is entitled to receive daily compounded MIBOR rate for 183 days & pay 7% fixed.
- On December 1, 2023, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 0.7019 crore, the Investment Strategy will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Investment Strategy the difference.
- Effectively the Investment Strategy earns interest at the rate of 7% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 7% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.

The above example illustrates the benefits and risks of using derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Forward Rate Agreement (FRA)

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the Reference rate and hence are single settlement contracts. As in the case of IRS, notional amounts are not exchanged.

Assume that on December 1, 2023, the 30 day commercial paper (CP) rate is 7.75% and the Investment Strategy has an investment in a CP of face value Rs. 25 crores, which is going to mature on December 30, 2023. If the fund manager's view is that the interest rates are likely to remain stable or decline after December 30, 2023, and if the fund manager, wants to re deploy the maturity proceeds for 1 more month and does not want to take the risk of interest rates going down, he can then enter into a following forward rate agreement (FRA) say as on December 1, 2023:

He can receive 1 X 2 FRA at 7.75% (FRA rate in 1 month time for 1 months lending) on the notional amount of Rs. 25 crores, with a reference rate of 30 day CP benchmark. If the CP benchmark on the settlement date i.e. December 30, 2023 falls to 7.50%, then the Investment Strategy receives the present value of 25 bps (7.75% - 7.50%) on the notional amount Rs. 25 crores for 1 month. The maturity proceeds are then reinvested at say 7.50% (close to the benchmark). The Investment Strategy, however, would have locked in the rate prevailing on December 1, 2023 (7.75%) as it would have received 25 basis points on Rs. 25 cr as settlement amount from FRA. Thus the fund manager can use FRA to mitigate the reinvestment risk.

In this example, if the rates move up by 25 basis points to 8% on the settlement date (December 30, 2023), the Investment Strategy loses 25 basis points on Rs. 25 cr for 1 month, but since the reinvestment will then happen at 8%, effective returns for the Investment Strategy is unchanged at 7.75%, which is the prevailing rate on December 1, 2023.

Interest Rate Futures (IRFs):

An Interest Rate Futures contract is "an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today." The underlying security for Interest Rate Futures is either Government Bond, T-Bill or any other permitted benchmark security. IRFs contracts are cash settled.

Holders of the fixed income securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts.

Example:

Date: 15/12/2021

Spot price of GOI Security: Rs 105.05

May Futures price of IRF Contract: Rs 105.12

On 15/12/2021 ABC bought 2000 GOI securities from spot market at Rs 105.05. He anticipates that the interest rate will rise in near future. Therefore to hedge the exposure in underlying market he may sell December 2021 Interest Rate Futures contracts at Rs 105.12

On 30/12/2021 due to increase in interest rate: Spot price of GOI Security: Rs 104.24 Futures Price of IRF Contract: Rs 104.28

Loss in underlying market will be (104.24 - 105.05)*2000 = Rs 1,620

Profit in the Futures market will be (104.28 – 105.12)*2000 = Rs 1,680.

Imperfect Hedging using IRF

IRF can be taken at portfolio level to reduce the interest rate risk of the portfolio or part of the portfolio (including one or more securities). However, 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 ie basis risk. In order to reduce the basis risk for the portfolio hedging strategy, the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF would be atleast 0.9 at the time of initiation of hedge. The correlation should be calculated for a period of last 90 days. Additionally, Imperfect hedging using IRFs would be restricted upto maximum of 20% of the total assets of the Investment Strategy.

Example:

Date: 15/06/2021

Total Assets of the Investment Strategy: Rs. 100 cr

Modified Duration of the Investment Strategy: 4.75

August 2020 Future Price of IRF contract of 6.79 GOI 2030: 103.24

Modified Duration of 6.79 GOI 2030: 7.13

Correlation between IRF and Portfolio during last 90 days: 0.95

On 15/06/2021, the fund manager anticipates that the interest rates will rise in near future. Therefore, to hedge the exposures of the portfolio he sells 19,00,000 IRF contracts of August 2020 6.79 GOI 2030 at 103.24. Thus, the value of Futures contract is Rs. 19.62 cr, which is less than 20% of Investment Strategy value.

On 15/07/2021, due to interest rate increase by 5 basis points, the values of securities in the portfolio reduced to Rs. 99.76 cr and the price of IRF contract for August 2020 6.79 GOI 2030 reduced to Rs. 102.88. This resulted in loss in the value of the securities of Rs. 0.24 cr (Rs. 100 cr – Rs. 99.76 cr) and profit in the futures position of Rs. 0.07 cr {(103.24 102.88)*19,00,000}.

Given that there was imperfect correlation between portfolio and the IRF (ie basis risk) as well as cap on the maximum portfolio hedging allowed as per extant regulation, the loss in the value of portfolio was not completely matched by the gain from the IRF contract. Nevertheless, the fund manager was able to protect the value of the portfolio, to an extent, using the IRF contract. The loss on proportionate basis (ie ~20% of portfolio) would have been only Rs. 0.05 cr as against gain of Rs. 0.07 cr of gain from IRF.

2. SWING PRICING
Presently not applicable

3. PROVISIONS ON CREATION OF SEGREGATED PORTFOLIO/SIDE POCKETING

In order to ensure fair treatment to all investors in case of a Credit Event and to deal with liquidity risk, clause 5.5 of SEBI Master Circular, as amended from time to time has allowed creation of Segregated Portfolio of debt and money market instruments by SIF Investment Strategies. Creation of Segregated Portfolio shall be optional and at the sole discretion of the asset management company.

The salient features of creation of Segregated Portfolio are as follows:

The term 'Segregated Portfolio' shall mean a portfolio, comprising debt or money market instrument affected by a Credit Event, that has been segregated in SIF Investment Strategies.
The term 'Main Portfolio' shall mean the Investment Strategy portfolio excluding the Segregated Portfolio.

The term 'Total Portfolio' shall mean the Investment Strategy portfolio including the securities affected by the Credit Event.
The AMC at its sole option and discretion may create Segregated Portfolio in the Investment Strategy, with the approval of the Trustees, subject to the following:

Segregated portfolio may be created, in case of a Credit Event at issuer level as under:

- Downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA) as under:,

a. Downgrade of a debt or money market instrument to 'below investment grade', or
b. Subsequent downgrades of the said instruments from 'below investment grade', or
c. Similar such downgrades of a loan rating; or

- Trigger of a pre-specified event for loss absorption in case of debt instruments with special features such as subordination to equity (absorption of losses before equity capital) and/ or conversion to equity.
- Any other scenario as permitted by SEBI from time to time.

In case of difference in rating by multiple CRAs, the most conservative rating shall be considered.
Creation of Segregated Portfolio shall be based on issuer level Credit Events as detailed above and implemented at the ISIN level.
Further, Segregated Portfolio may be created of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments but only in case of actual default of either the interest or principal amount and subject to guidelines prescribed by SEBI in this behalf from time to time.
It may be noted that even for the same security (ISIN level) held by multiple Investment Strategies, the AMC, in its sole discretion, may decide to segregate the portfolio only for select Investment Strategies.
In case of debt instruments with special features mentioned above, if the instrument is to be written off or converted to equity pursuant to any proposal, the date of said proposal may be treated as the Trigger Date. However, if the said instruments are written off or converted to equity without proposal, the date of write off or conversion of debt instrument to equity may be treated as the Trigger Date.
It may be noted that notwithstanding the above, segregation of portfolio may be effected in such events and in such manner as may be permitted by SEBI whether by changes to circulars or guidelines in this behalf or by way of clarifications issued thereto from time to time or in any other manner.

Process for creation of Segregated Portfolio:

a) In case the AMC decides on creation of Segregated Portfolio on the day of a Credit Event/Trigger Date in case of debt instruments with special features it shall:

i. seek approval of trustees prior to creation of the Segregated Portfolio.
immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors and also disclose that the segregation shall be subject to trustee approval.

Additionally, the said press release shall be prominently disclosed on the webpage of SIF.

ii. ensure that till the time the trustee approval is received, which in no case shall exceed 1 business day from the day of Credit Event, the subscription and redemption in the Investment Strategies shall be suspended for processing with respect to creation of units and payment on redemptions.

b) Process post receipt of trustee approval by the AMC for creation of Segregated Portfolio in the Investment Strategies

i. Segregated Portfolio shall be effective from the day of Credit Event

ii. The AMC shall issue a press release immediately with all relevant information pertaining to the Segregated Portfolio. The said information shall also be submitted to SEBI.

iii. An e-mail or SMS shall be sent to all unit holders of the concerned Investment Strategies

iv. The NAV of both segregated and Main Portfolio of the Investment Strategies shall be disclosed from the day of the Credit Event.

v. All existing investors in the Investment Strategies as on the day of the Credit Event shall be allotted equal number of units in the Segregated Portfolio as held in the Main Portfolio.

vi. No redemption and subscription shall be allowed in the Segregated Portfolio. However, in order to facilitate exit to unit holders in Segregated Portfolio, the AMC shall enable listing of units of Segregated Portfolio on the recognized stock exchange within 10 working days of creation of Segregated Portfolio and also enable transfer of such units held in demat mode on receipt of transfer requests.

c) If the trustees do not approve the proposal to Segregate Portfolio, the AMC shall issue a press release immediately informing investors of the same.

Valuation and processing of subscriptions and redemptions

a) Notwithstanding the decision to segregate the debt and money market instrument, the valuation shall take into account the Credit Event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (MF) Regulations and Circular(s) issued thereunder.

b) All subscription and redemption requests for which NAV of the day of Credit Event or subsequent day is applicable will be processed as per the provisions on applicability of NAV as under:

i. Upon trustees' approval to create a Segregated Portfolio:-

- Investors redeeming their units will get redemption proceeds based on the NAV of Main Portfolio and will continue to hold the units of Segregated Portfolio.
- Investors subscribing to the Investment Strategies will be allotted units only in the Main Portfolio based on its NAV.

In case trustees do not approve the proposal of Segregated Portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

Base Expense Ratio (BER) for the Segregated Portfolio:

a) The AMC will not charge investment and advisory fees on Segregated Portfolio. However, BER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in Segregated Portfolio.

b) The BER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the Main Portfolio (in % terms) of the Investment Strategies during the period for which Segregated Portfolio was in existence.

c) The legal charges related to recovery of the investments of the Segregated Portfolio may be

charged to the Segregated Portfolio in proportion to the amount of recovery. However, the same shall be within the maximum BER limit as applicable to the Main Portfolio. The legal charges in excess of the BER limits, if any, shall be borne by The AMC.

d) The costs related to Segregated Portfolio shall in no case be charged to the Main Portfolio.

Periodic Disclosures:

In order to enable the existing as well as the prospective investors to take informed decision, inter alia the following disclosures shall be made:

a) A statement of holding indicating the units held by the investors in the Segregated Portfolio along with the NAV of both Segregated Portfolio and Main Portfolio as on the day of the Credit Event shall be communicated to the investors within 5 business days of creation of the Segregated Portfolio.

b) Adequate disclosure of the Segregated Portfolio shall appear in the Investment Strategy related documents, in monthly portfolio disclosures and in the annual report of the Mutual Fund and the Investment Strategy.

c) Net Asset Value (NAV) of Segregated Portfolio, if any, shall be declared on every business day.

(d) The information regarding number of segregated portfolios created in an Investment Strategy shall appear prominently under the name of the Investment Strategy at all relevant places such as ISID, KIM-cum-Application Form, advertisement, SIF and AMFI websites, etc.

(e) The Investment Strategy performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The Investment Strategy performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the Investment Strategy performance.

(f) The disclosures at Paragraphs (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/written-off.

(g) Investors of the Segregated Portfolio shall be duly informed of the recovery proceedings of the investments of the Segregated Portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Risk factors associated with Creation of Segregated Portfolio

a) Investor holding units of Segregated Portfolio may not be able to liquidate their holding until recovery from the issuer is realised. The timeline for such recovery is uncertain and may be prolonged.

b) It is possible that the securities comprising the Segregated Portfolio may not realise any value.

c) Listing of units of Segregated Portfolio on 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 Net Asset Value (NAV).

Given below is an **illustration explaining the segregation of portfolio**:
Investment Strategy Portfolio before the Credit Event

Assets	**Amount (Rs.)**
Debt A	50,000
Debt B	50,000
Debt C	50,000
net Assets	**1,50,000**

Assuming number of units outstanding is 10,000 units

NAV = Net Assets/No of units = 150,000/10,000= Rs.15/-

There is a Credit Event in one of the Security (Debt C). Due to Credit Event the Debt C is valued at Rs. 25,000/- in line with extant SEBI regulations on valuation of such securities. AMC decides to segregate portfolio by segregating exposure in Debt C. The resultant split will be as follows:
Investment Strategy in Portfolio

Assets	**Amount (Rs.)**
Debt A	50,000
Debt B	50,000
net Assets	**100,000**

NAV (Main Portfolio) = 100,000/10,000= Rs.10/-.
Investment Strategy Segregated Portfolio

Assets	**Amount (Rs.)**
Debt C	25,000
net Assets	**25,000**

NAV (Segregated Portfolio) = Rs. 25,000/10,000= Rs.2.5/-

Investor (having 1000 units) will see his Investment Strategy holdings as follows:

Particulars	**ore Credit Event**	**After Credit Event**	
		Main Portfolio	**egregated Portfolio**
Market Value of Units (Rs.)	15,000	10,000	2500
No of Units	1000	1000	1000
NAV per unit (Rs.)	15.00	10.00	2.50

Monitoring by Trustees
In order to ensure timely recovery of investments of a Segregated Portfolio, if any, the trustees would continuously monitor the progress and take suitable action as they deem appropriate. Trustees shall ensure that the AMC puts in sincere efforts to recover the investments of the segregated portfolio and that upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.

In order to avoid mis-use of Segregated Portfolio, Trustees shall ensure that a mechanism is put in place which will negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the Segregated Portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the Segregated Portfolio of the Investment Strategy.

4. Short selling / stock lending

a. Short Selling by the SIF
Short-selling is the sale of shares which are not owned by the seller at the time of trade. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock he shorted and returns the stock to close out the loan. If the price of the stock corrects, Short seller can buy the stock back for less than he received for selling it and earn profit (the difference between

higher short sale price and the lower purchase price). If the price of stock appreciates, short selling results in loss. Thus, Short positions carry the risk of losing money and these losses may grow theoretically unlimited if the price increases without limit and shall result into major losses in the portfolio.
The Specialized Investment Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.

b. Stock Lending by The Specialized Investment Fund

Subject to the SEBI (MF) Regulations, Securities Lending Scheme, 1997 and in accordance with clause 13.6 of Master Circular, as may be amended from time to time, the Specialized Investment Fund and the plans thereunder may, if the Trustee permits, engage in Stock Lending. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The exposure limits with regard to stock lending for various investment strategies, shall be as specified in the respective Investment Strategy Information Document ISID) from time to time. The AMC shall report to the Trustee on a quarterly basis as to the level of lending in terms of value, volume and the names of the intermediaries and the earnings/losses arising out of the transactions, the value of collateral security etc. The Trustees shall periodically review the securities lending contract and take reasonable steps to ensure that the same is not, in any way, detrimental to the interests of the unit holders of the investment strategy. The Trustees shall offer their comments on the above aspects in the HYTR filed with SEBI. The Specialized Investment Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity. Please refer to respective ISID for details.

H**. Transaction Charges and Stamp Duty**

No transaction charges shall be deducted from the subscription amount for transactions/applications received through the distributors (i.e. in Regular Plan).

STAMP DUTY ON ALLOTMENT/TRANSFER OF UNITS*

SIF units issued against Purchase transactions (whether through lump-sum investments or SIP or STP or switch-ins or Dividend reinvestment under IDCW Option) would be subject to levy of stamp duty @ 0.005% of the amount invested. Stamp duty shall also be applicable on the transfer of SIF Units (except Gifting of Units), including but not limited to transfers between demat accounts, off-market transfers, and other similar transactions. The applicable rate for such transfers is 0.015%, which shall be levied and collected by the respective Depositories in accordance with the Indian Stamp Act and applicable rules. The rate and levy of stamp duty may vary as amended from time to time.

* Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 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 subsequent Notifications Nos. S.O. 115(E) dated January 08, 2020 and S.O. 1226 (E) dated March 30, 2020, issued by Department of Revenue, Ministry of Finance, Government of India.

The stamp duty shall be deducted from the net investment amount, i.e., the gross investment amount less any other applicable deductions. Units will be created only for the balance amount, i.e., the net investment amount as reduced by the stamp duty. The stamp duty shall be computed at the rate of 0.005% using the inclusive method, as applicable to Units issued in non-demat folios (Statement of Account mode), as illustrated below:

For instance: If the investment amount is Rs. 100,000, the stamp duty will be calculated as follows: (Investment Amount *0.005%) = Rs. 5. If the applicable Net Asset Value (NAV) is Rs. 10 per unit,

then units allotted will be calculated as follows: (Investment Amount - Stamp Duty)/ Applicable NAV = 9,999.50 units.

tXI. DISCLOSURES AND REPORTS BY THE FUND

1. Account Statement/Consolidated Account Statement

a. An allotment confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 working days of the closure of the NFO Period/date or receipt of valid application/transaction during continuous offer period to the Unit holder's registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).
b. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically.
c. A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month on registered email address on or before 12th of the succeeding month and by 15th of the succeeding month for those who have opted for physical copy.
d. Half-yearly CAS shall be issued to all investors providing the prescribed details across all mutual funds and securities held in dematerialized form across demat accounts, if applicable, at the end of every six months (i.e. September/March) on or before 18th day of succeeding month on registered email address and 21st day of succeeding month through physical copy for those who do not have registered email addresses.
e. Such Half yearly CAS shall be issued to all MF Unit holders, excluding those who do not have any holdings in the investment strategy of SIF and where no commission against their investment has been paid to distributors, during the concerned half-year period.
f. The periodical CAS will be sent by the Depositories to investors holding demat accounts (whether or not units are held in demat form) referred to as “SCAS” and by Mutual Fund Industry to other investors referred to as “MF-CAS”.
g. The periodical CAS are issued on the basis of Permanent Account Number (PAN). Thus, CAS shall not be received by the Unit holders for the folios not updated with PAN. Unit holders are therefore requested to ensure that the folios are updated with their PAN/KYC details.
h. For folios of the Fund not included in the CAS (due to non-availability of PAN), the AMC shall issue the necessary account statements within prescribed timeline by mail or email.
i. In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/account statement.
j. The Unit holder may request for a physical account statement without any charges by writing to/calling the AMC/ISC/RTA. The Mutual Fund/AMC shall despatch an account statement within 5 working days from the date of the receipt of request from the Unit holder.

Pursuant to, clauses 15.7.4 and 12.3 of SEBI Master Circular, the following additional disclosures will be provided in the CAS issued to the investors:

- Each CAS/SCAS shall also provide the total purchase value/cost of investment in each investment strategy. Further, whenever distributable surplus is distributed, a clear segregation between income distribution (appreciation on NAV) and capital distribution (Equalization Reserve) shall be suitably disclosed.
- CAS/SCAS issued for the half-year (ended September/ March) shall also provide (i) the amount of actual commission paid by the AMC/Fund to distributors (in absolute terms) during the half-year period against the concerned unitholder’s total investments in each investment strategy of the Fund, and (ii) the investment strategy’s average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other

expenses for the half-year period for the investment strategy's applicable Plan (regular or direct or both) where the concerned investor has actually invested in.

- The term 'commission' refers to all direct monetary payments and other payments made in the form of gifts/rewards, trips, event sponsorships etc. by the AMC/Fund to distributors. The commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Service Tax (wherever applicable, as per existing rates), operating expenses, etc.

Further information pertaining to SCAS sent by Depositories:

CAS shall be dispatched by the Depositories/MFs as per the rules specified by SEBI from time to time.

2. Half Yearly Disclosures/Portfolio Disclosures/Financial Results

The AMC will disclose portfolio (along with ISIN and other prescribed details) of the Investment Strategy, in the prescribed format, 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 its Investment Strategies (including debt based investment strategies) on its webpage viz. hsif.hdfcfund.com and on the website of Association of Mutual Funds in India (AMFI) viz. www.amfiindia.com within 10 calendar days from the close of each alternate month.

In case of unitholders whose e-mail addresses are registered, the SIF/AMC will send the portfolio statements of investment strategy portfolio via email within the timelines prescribed above.

AMC shall provide a feature wherein a link is provided to investors to their registered email to enable the investor to directly view/download only the portfolio of investment strategies subscribed by the said investor, along with the investment strategy risk band, name of benchmark and risk band of benchmark.

AMCs shall provide a physical copy of the statement of its Investment Strategy portfolio, without charging any cost, on specific request received from a unit holder.

3. Half Yearly Results

Unaudited Half Yearly Results

The SIF shall host half yearly disclosures of the Investment Strategies unaudited financial results in the prescribed format on its webpage viz. hsif.hdfcfund.com and on the website of Association of Mutual Funds in India (AMFI) viz. www.amfiindia.com within one month from the close of each half year i.e. on 31st March and on 30th September.

4. Annual Report

- The investment strategy wise annual report, in machine readable format, shall be hosted on the webpage of the SIF and on the website of AMFI. The AMCs shall display the link prominently on the webpage of SIF and make the physical copies available to the unit holders, at their registered offices at all times.

- The webpage of SIF shall also be linked with AMFI website so that the investors and analyst(s) can access the annual reports of all SIFs at one place.

- AMCs shall send an email/SMS to all unitholders regarding the hosting of investment strategy wise annual report on the webpage of SIF and on the website of AMFI.

- AMCs shall e-mail the investment strategy annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the SIF, within 4 months from the date of closure of the relevant financial year. The said communication shall also include details of modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical copy of the investment strategy wise annual report or abridged summary thereof.

For further details on periodic disclosures, refer to ISID/ KIM.

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines thereunder shall be applicable.

For and on behalf of the Board of Directors of
HDFC Asset Management Company Limited

Place: Mumbai
Date: September 30, 2026

Navneet Munot
Managing Director & CEO



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