

## SCHEME INFORMATION DOCUMENT

### MIRAE ASSET PRUDENCE FUND

(An open-ended equity oriented asset allocation scheme)

#### Product Labelling

Mirae Asset Prudence Fund is suitable for investors who are seeking\*

- Capital appreciation along with current income over long term.
- Investment predominantly in equity and equity related instruments with balance exposure to debt and money market instruments

\*Investors should consult their financial advisers if they are not clear about the suitability of the product



Investors understand that their principal will be at Moderately High risk

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

**New Fund Offer opens on : 08/07/2015**

**New Fund Offer closes on : 22/07/2015**

**The Scheme re-opens for continuous sale and repurchase on or before five business days from the date of allotment.**

#### Mirae Asset Mutual Fund

**Investment Manager:**

Mirae Asset Global Investments (India) Private Limited

**Trustee:**

Mirae Asset Trustee Company Private Limited

**Registered & Corporate Office:**

Unit No.606, Windsor Building, Off. C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098.

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

The SID sets forth concisely the information about **MIRAE ASSET PRUDENCE FUND** that a prospective investor ought to know before investing. The investor should also ascertain about any further changes to this SID after the date of this Document from the Mutual Fund/Investor Service Centers/Website/Distributors or Brokers.

The Investors are advised to refer to the Statement of Additional Information (SAI) for details of Mirae Asset Mutual Fund, tax and legal issues and general information on [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in)

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

The SID should be read in conjunction with SAI and not in isolation.

This SID is dated **June 18, 2015**

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## HIGHLIGHTS/SUMMARY OF THE SCHEME:

<b>Name of the Scheme</b>	<b>MIRAE ASSET PRUDENCE FUND</b>
<b>Type of the scheme</b>	An open-ended equity oriented asset allocation scheme
<b>Investment Objective</b>	The investment objective of the Scheme is to generate capital appreciation along with current income from a combined portfolio of equity & equity related instruments and debt and money market instruments. <b>The Scheme does not guarantee or assure any returns.</b>
<b>Plans &amp; Options</b>	<p>The Scheme will have Regular Plan and Direct Plan** with a common portfolio and separate NAVs. Investors should indicate the Plan for which the subscription is made by indicating the choice in the application form.</p> <p>Each of the above Regular and Direct Plan under the scheme will have the following Options/Sub-options: (1) Growth Option and (2) Dividend Option. The Dividend Option shall have 2 sub options: (a) Dividend Payout (b) Dividend Reinvestment.</p> <p>If the investor does not clearly specify the choice of Plan at the time of investing, but mentions the broker code in the application form, then the default plan for such application shall be treated as Regular Plan - Growth Option.</p> <p>However, in case if the application form mentions neither the broker code nor the choice of plan, then the default plan for such application shall be treated as Direct Plan - Growth Option.</p> <p>If the unit holders selects Dividend option but does not specify the sub-option then the default sub-option shall be Dividend Reinvestment.</p> <p><b>**DIRECT PLAN:</b> Direct Plan is only for investors who purchase/subscribe Units in a Scheme directly with the Mutual Fund and is not available for investors who route their investments through a Distributor.</p> <p>For more details &amp; information on plans/options, please refer page 38.</p>
<b>Liquidity Facility</b>	The Scheme will offer units for purchases/switch-ins and redemptions/switch-outs at NAV based prices on all business days on an ongoing basis.
<b>Benchmark Index</b>	<b>CRISIL Balanced Fund Index</b>
<b>Dematerialization of Units</b>	<p>The Unit holders are given an Option to hold the units by way of an Account Statement (Physical form) or in Dematerialized ('Demat') form.</p> <p>Mode of holding shall be clearly specified in the KIM cum application form. Unit holders holding the units in physical form will not be able to trade or transfer their units till such units are dematerialized.</p> <p>The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL/CDSL). Unit holders opting to hold the units in demat form must provide their Demat Account details like the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP, in the specified section of the application form.</p> <p>In case Unit holders do not provide their Demat Account details, unit will be allotted to them in physical form and an Account Statement shall be sent to them. Such investors will not be able to trade on the stock exchange platform till the holdings are converted in to demat form, if the scheme is made available on the BSE StAR MF Platform.</p>
<b>Transparency/Net Asset Value (NAV) Disclosure</b>	<p>The first NAV will be calculated and announced within five business days from the date of closure of New Fund Offer. Subsequently, the NAV will be disclosed at the close of every business day. The NAV calculated will be published in two newspapers on a daily basis, by way of press release/ advertisement.</p> <p>NAV of the Units of the Scheme (including options there under) calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time. The NAV will be computed upto three decimal places. The mutual fund should allot units/refund of money and dispatch statements of accounts within five business days from the closure of the NFO.</p> <p>The AMC will update the NAVs on AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a> before 9.00 p.m. on every business day and also on its website (<a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>). In case of any delay, in uploading of NAV on AMFI Website, the reasons for such delay would be explained to AMFI in writing. If the NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.</p> <p>The AMC shall within one month from the close of each half year, shall host a soft copy of unaudited financial results on its website and shall publish an advertisement disclosing the hosting of such financial results in the newspapers and also communicate portfolio of Scheme's on a half yearly basis to the unitholders directly or through the publications or as may be prescribed under the Regulations from time to time.</p> <p>The AMC will dispatch Annual reports of the respective Schemes within the stipulated period as required under the Regulations.</p>

<b>Monthly/Half yearly Portfolio</b>	<p>As prescribed by SEBI (Mutual Fund) Regulations, 1996, the AMCs shall disclose the portfolio under the scheme in the prescribed format on a monthly basis on its website before the 10<sup>th</sup> calendar day of the succeeding month.</p> <p>Also, portfolio in the prescribed format will be disclosed on half yearly basis by publishing in the newspapers within 1 month from the end of each half year i.e. March 31 and September 30. The portfolio will also be displayed on the website of the AMC.</p>
<b>Minimum Application Amount &amp; Minimum Additional Application Amount</b>	<p>Investors can invest under the Scheme during the New Fund Offer period with a minimum investment of Rs.5,000/- and in multiples of Re. 1/- thereafter.</p> <p>For subsequent additional purchases (after the closure of the NFO), the investor can invest with the minimum amount of Rs.1000/- and in multiples of Re.1/- thereafter.</p>
<b>Applications Supported By Blocked Amount (ASBA)</b>	<p>Investors also have an option to subscribe to units of the Plan (i.e. the Regular Plan or the Direct Plan) under the Scheme during the New Fund Offer period under the <b>Applications Supported by Blocked Amount (ASBA) facility</b>, which would entail blocking of funds in the investor's Bank account, rather than transfer of funds, on the basis of an authorization given to this effect at the time of submitting the ASBA application form.</p> <p>For complete details on ASBA process refer Statement of Additional Information (SAI) made available on our website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a></p>
<b>Transaction Charges</b>	<p>In accordance with SEBI circular no. Cir/IMD/DF/13/2011 dated August 22, 2011, the AMC shall deduct the Transaction Charges on purchase/subscriptions of Rs.10,000 and above received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/agent (who have opted-in to receive the transaction charges on basis of type of product) as under:</p> <p><b>First Time Mutual Fund Investor (across Mutual Funds):</b> Transaction charge of Rs.150/- for subscription of Rs. 10,000/- and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested and accordingly units allotted.</p> <p><b>Investor other than First Time Mutual Fund Investor:</b> Transaction charge of Rs.100/- per subscription of Rs.10,000/- and above will be deducted from the subscription amount and paid to the distributor/agent of the investor. The balance of the subscription amount shall be invested and accordingly units allotted.</p> <p><b>Transaction charges shall not be deducted/applicable for:</b></p> <ul style="list-style-type: none"> <li>- Purchases/subscriptions for an amount less than Rs.10,000/-;</li> <li>- Transaction other than purchases/subscriptions relating to new inflows such as Switches, etc. or</li> <li>- Transactions carried out through the Stock Exchange Platforms for Mutual Funds</li> </ul> <p>For further details on transaction charges refer to the section VI-C - 'Transaction Charges'.</p>
<b>New Fund Offer Period</b>	<p>NFO opens on: July 08, 2015;  NFO closes on: July 22, 2015</p>
<b>Minimum Target Amount</b>	<p>The Fund seeks to raise a minimum subscription amount of Rs. 10 Crores under the scheme during its New Fund Offer (NFO) period. In the event the aforesaid minimum subscription cannot be raised by the scheme during the NFO, the subscriptions so collected will be refunded to the applicants within 5 business days from the closure of the NFO.</p>
<b>Loads</b>	<p>a) <b>Entry Load:</b> Not Applicable</p> <p>In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase/additional purchase/switch-in accepted by Mirae AMC with effect from August 01, 2009.</p> <p>The upfront commission on investment made by the investor, if any, will be paid to the ARN Holder (AMFI registered Distributor), directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.</p> <p>b) <b>Exit Load:</b></p> <p>If redeemed within 6 months (182 days) from the date of allotment - 2.00% ;  If redeemed after 6 months (182 days) but within 1 year (365 days) from the date of allotment - 1.00% ;  If redeemed after 1 year (365 days) from the date of allotment - NIL.</p> <p>A switch-out under Systematic Transfer Plan ("STP") or a withdrawal under Systematic Withdrawal Plan ("SWP") shall also attract an Exit Load like any Redemption. There will be no Load for Units created as a result of bonus Units. The exit load (net off service tax, if any, payable in respect of the same) shall be credited to the Scheme of the Fund.</p>
<b>New Fund Offer Price</b>	Rs. 10 per Unit
<b>Repatriation Facility</b>	NRIs and FPIs may invest in the scheme on a full repatriation basis as per the relevant notifications and/or guidelines issued by RBI & FEMA in this regard.
<b>Earnings of the Fund</b>	Earnings of the fund are totally exempt from income tax under Section 10(23D) of the I.T. Act.

## I INTRODUCTION

### A. RISK FACTORS

#### Standard Risk Factors:

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal
- As the price/value/interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the scheme can go up or down depending on various factors and forces affecting capital markets and money markets.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee the future performance of the Scheme.
- The Scheme does not in any manner indicate its quality or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs.1.00 Lac made by it towards setting up the Mirae Asset Mutual Fund.
- The present scheme is not a guaranteed or assured return scheme. In addition, the scheme does not guarantee or assure any dividend and also does not guarantee or assure that it will make any dividend distribution, though it has every intention to make the same in the dividend option. All dividend distributions will be subjected to the investment performance of the Scheme.

#### Scheme Specific Risk Factors

##### Risks Associated with Equity Investments:

- Equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. Also, the value of the Scheme investments may be affected by interest rates, changes in law/policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities, a specific sector or all sectors.
- Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Schemes unless they can afford to take the risk of losing their investment.
- Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The AMC may choose to invest in unlisted securities that offer attractive yields within the regulatory limit. This may however increase the risk of the portfolio. Additionally, the liquidity and valuation of the Scheme investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date

of disinvestment.

##### Risks Associated with Debt & Money Market Instruments

- **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
- **Credit Risk:** In simple terms this risk means that the issuer of a debenture/bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in Government securities, there is no credit risk to that extent.
- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Pre-payment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.
- **Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.
- **Concentration Risk:** The Scheme portfolio may have higher exposure to a single sector, subject to maximum of 30% of net assets, depending upon availability of issuances in the market at the time of investment, resulting in higher concentration risk. Any change in government policy/business environment relevant to the sector may have an adverse impact on the portfolio.
- Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.



## **Risks Associated with Derivatives**

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 instruments. Such risks include mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount. The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However the gains of an options writer are limited to the premiums earned. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. The loss can be unlimited as underlying asset can increase to any levels. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price and the loss is limited to strike price.

Investments in futures face the same risk as the investments in the underlying securities. The extent of loss is the same as in the underlying securities. However, the risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets. The derivatives are also subject to liquidity risk as the securities in the cash markets. The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility in the values. For further details please refer to section "Investments Limitations and Restrictions in Derivatives" in this SID.

## **B. RISK MITIGATION MEASURES**

### **Concentration Risk**

The AMC will mitigate this risk by investing in sufficiently large number of issuers spread across the sectors so as to maintain optimum diversification and keep issuer/sector specific concentration risk relatively low.

### **Liquidity Risk**

The Schemes will invest in debt instruments and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. Liquidity risk is today characteristic of the Indian fixed income market. The Schemes will however, endeavor to minimize liquidity risk by investing in securities having a liquid market.

### **Risks Associated with Equity Investments:**

The scheme has a diversified portfolio to counter the volatility in the prices of individual stocks. Diversification in the portfolio reduces the impact of high fluctuations in daily individual stock prices on the portfolio.

### **Risk of investing in unlisted securities**

As per SEBI guidelines, not more than 10% of the portfolio can be invested in unlisted securities. Rigorous due diligence is undertaken before any investments are made by the portfolio in unlisted securities, if any.

### **Risks Associated with Debt & Money Market Instruments**

**Credit Risk** - The fund has a rigorous credit research process. There is a regulatory and internal cap on exposure to each issuer. This ensures a diversified portfolio and reduced credit risk in the portfolio.

## **C. REQUIREMENT OF MINIMUM NUMBER OF INVESTORS AND MINIMUM HOLDING BY SINGLE INVESTOR**

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. However, if such limit is breached during the NFO of the Scheme, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

## **D. SPECIAL CONSIDERATIONS**

Mutual funds, like securities investments, are subject to market risks and there is no guarantee against loss in the Scheme or that the objective(s) of the scheme are achieved.

No person receiving a copy of Statement of Additional Information (SAI) & Scheme Information Document (SID) or any accompanying application form in such jurisdiction may treat this SAI & SID or such application form as constituting an invitation to them to subscribe for Units nor should they in any event use any such application form unless, in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance of any registration or other legal requirements.

The tax benefits described in the SAI are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor is advised to consult his/her own professional tax advisor.

The SAI, SID or the Units have not been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or totally prohibited due to registration requirements and accordingly, persons who come into possession of this SID are required to inform themselves about and to observe any such restrictions and or legal compliance requirements.

No person has been authorized to issue any advertisement or to give any information or to make any representations other than that contained in this SID. Circulars in connection with this offering not authorized by the Mutual Fund and

any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund. Any subscription, Purchase or Sale made by any person on the basis of statements or representations which are not contained in this Offer Document or which are inconsistent with the information contained herein shall be solely at the risk of the investor.

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

Mirae Asset Mutual Fund/the AMC have not authorized any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this SID as the same have not been authorized by the Mutual Fund or the AMC. Any subscription, Purchase or Sale made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the investor.

From time to time and subject to the Regulations, funds managed by the affiliates/associates of the Sponsor may invest either directly or indirectly in the Scheme. The funds managed by these affiliates/associates may acquire a substantial portion of the Scheme's Units and collectively constitute a major investment in the Scheme.

**Suspicious Transaction Reporting:** If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit holder/any other person.

## E. DEFINITIONS

The following definitions/terms apply throughout this SID unless the context requires otherwise:

<b>Account Statement</b>	A non-transferable statement indicating the number of units held by the investor on a particular date.
<b>Allotment Date</b>	The date on which allotment of the scheme unit is made to the successful applicants from time to time and includes allotment made pursuant to the New Fund Offer.
<b>AMC Fees</b>	Investment Management fee charged by the AMC to the Scheme.
<b>Application Supported by Blocked Amount (ASBA)</b>	An application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Scheme. On intimation of allotment by the Registrar (Karvy) to the banker the investors account shall be debited to the extent of the amount due thereon.
<b>Asset Management Company (AMC)/ Investment Manager</b>	Mirae Asset Global Investments (India) Private Limited, the asset management company, set up under the Companies Act, 1956, having its registered office at Unit No. 606, 6 <sup>th</sup> Floor, Windsor, Off CST Road, Kalina, Santacruz (E), Mumbai – 400 098 authorized by SEBI to act as an Asset Management Company/Investment Manager to the schemes of Mirae Asset Mutual Fund.
<b>Beneficial owner</b>	As defined in the Depositories Act 1996 (22 of 1996) means a person whose name is recorded as such with a depository.
<b>Business Day</b>	A day not being: (a) A Saturday or Sunday; (b) A day on which the Stock Exchanges, the BSE and/or the NSE is closed; (c) A day on which Purchase and Redemption of Units is suspended or a book closure period is announced by the Trustee/AMC; or (d) A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time. (e) A day on which the banks and/or RBI are closed for business/clearing in India; All applications received on these non-business days will be processed on the next business day at Applicable NAV. The AMC reserves the right to change the definition of Business Day. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investors' Service Centers.
<b>CBLO</b>	Collateralized Borrowing and Lending Obligations is a Money Market Instrument, approved by RBI (developed by Clearing Corporation of India Ltd). CBLO is a discounted instrument issued in an electronic book entry form for maturity ranging from one day to one year.
<b>Custodian</b>	Citi Bank N.A., Mumbai branch registered under the SEBI (Custodian of Securities) Regulations, 1996, or any other custodian who is approved by the Trustee.

<b>Cut-off time</b>	A time prescribed in this SID up to which an investor can submit a Purchase request/Redemption request, to be entitled to the Applicable NAV for that Business Day.
<b>Collection Bank(s)</b>	The bank(s) with which the AMC has entered into an agreement, from time to time, to enable customers to deposit their applications for units during the NFO period. The names and addresses are mentioned at the end of this SID.
<b>Dematerialisation</b>	It is a process by which the number of units reflecting in the Statement of Account (SOA) of an investor are converted to an equivalent number of securities in electronic form and credited in the investors account with its Depository Participant.
<b>Depository</b>	As defined in the Depositories Act, 1996 and includes National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL).
<b>Depository Participant</b>	Means a person/entity registered as such under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
<b>Depository Records</b>	As defined in the Depositories Act 1996 (22 of 1996) includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the said Act from time to time.
<b>Designated Collection Centers during the NFO</b>	Investors' Services Centers and Branches of AMC and Registrars designated by the AMC where the applications shall be received.
<b>Entry Load</b>	A Load charged to an investor on Purchase of Units based on the amount of investment per application or any other criteria decided by the AMC.
<b>Exit Load</b>	A Load charged to the Unit Holder on exiting (by way of Redemption) based on period of holding, amount of investment, or any other criteria decided by the AMC.
<b>Foreign Portfolio Investors (FPI)</b>	FPI means a person who satisfies the eligibility criteria prescribed under Regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014.
<b>Fund/Mutual Fund/Trust</b>	Mirae Asset Mutual Fund, a Trust registered with SEBI under the Regulations, vide Registration No. MF/055/07/03 dated November 30, 2007.
<b>Investor Service Centre/ ISC</b>	Official points of acceptance of transaction/service requests from investors. These will be designated by the AMC from time to time. The names and addresses are mentioned at the end of this SID.
<b>Load</b>	A charge that may be levied to an investor at the time of Purchase of Units of the Scheme or to a Unit Holder at the time of Redemption of Units from the Scheme.
<b>MIBOR</b>	Mumbai Interbank Offered rate. MIBOR is equivalent to daily call rate. It is the overnight rate at which funds can be borrowed and changes every day.
<b>MAPF</b>	<b>Mirae Asset Prudence Fund</b>
<b>Net Asset Value/NAV</b>	Net Asset Value of the Units of the Scheme (including options there under) calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time. The NAV will be computed upto three decimal places.
<b>New Fund Offer/NFO</b>	The offer for Purchase of Units at the inception of the Scheme, available to the investors during the NFO Period.
<b>New Fund Offer Period/ NFO Period</b>	The period being July 08, 2015 to July 22, 2015 subject to extension, if any.
<b>Ongoing Offer</b>	Offer of Units under the Scheme when it becomes open ended after the closure of the New Fund Offer Period.
<b>Ongoing Offer Period</b>	The period during which the Units under the Scheme are offered for subscription/redemption after the closure of New Fund Offer Period.
<b>Purchase/Subscription</b>	Subscription to/Purchase of Units by an investor from the Fund.
<b>Purchase Price</b>	The price (being Applicable NAV) at which the Units can be purchased and calculated in the manner provided in this SID.
<b>Registrar and Transfer Agent</b>	Karvy Computershare Pvt. Ltd. appointed as the registrar and transfer agent for the Scheme, or any other registrar that may be appointed by the AMC.
<b>Redemption</b>	Repurchase of Units by the Fund from a Unit Holder.
<b>Redemption Price</b>	The price (being Applicable NAV minus Exit Load) at which the Units can be redeemed and calculated in the manner provided in this SID.
<b>Scheme</b>	<b>Mirae Asset Prudence Fund</b>



<b>Scheme Information Document (SID)</b>	This Scheme Information Document (SID) issued by Mirae Asset Mutual Fund offering units of <b>Mirae Asset Prudence Fund</b> for subscription. Any modifications to the SID will be made by way of an addendum which will be attached to the SID. On issuance of addendum, the SID will be deemed to be updated by the addendum.
<b>SEBI Regulations/Regulations</b>	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI and the Government of India.
<b>Securities</b>	As defined under Section 2(h) of the Securities Contracts (Regulations) Act, 1956 of India; and also include shares, stocks, bonds, debentures, warrants, instruments, obligations, money market instruments, debt instruments or any financial or capital market instrument of whatsoever nature made or issued by any statutory authority of body corporate, incorporated or registered by or under any law; or any other securities, assets or such other investments as may be permissible from time to time under the regulations.
<b>Self-Certified Syndicate Banks</b>	The list of banks that have been notified by SEBI to act as a SCSB for the ASBA process as provided on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
<b>Statement of Additional Information (SAI)</b>	The Statement of Additional Information (SAI) issued by Mirae Asset Mutual Fund containing details of Mirae Asset Mutual Fund, its constitution, and certain Tax and Legal issues and general information. SAI is incorporated by reference (is legally a part of SID). SID should be read in conjunction with SAI and not in isolation.
<b>Systematic Investment Plan (SIP)</b>	A Plan enabling investors to save and invest in the Scheme on a monthly/quarterly basis by submitting post-dated cheques/payment instructions.
<b>Systematic Transfer Plan (STP)</b>	A Plan enabling Unit Holders to transfer sums on a monthly/quarterly basis from the Scheme to other schemes launched by the Fund from time to time by giving a single instruction.
<b>Systematic Withdrawal Plan (SWP)</b>	A Plan enabling Unit Holders to withdraw amounts from the Scheme on a monthly/quarterly basis by giving a single instruction.
<b>Trustee/Trustee Company</b>	Mirae Asset Trustee Company Private Limited, a company set up under the Companies Act, 1956, to act as the Trustee to Mirae Asset Mutual Fund.
<b>Trust Deed</b>	The Trust Deed dated October 11, 2007 made by and between the Sponsor and the Trustee, establishing Mirae Asset Mutual Fund, as amended from time to time.
<b>Unit</b>	The interest of an investor in the scheme consisting of each unit representing one undivided share in the assets of the scheme, and includes any fraction of a unit which shall represent the corresponding fraction of one undivided share in the assets of the Scheme.
<b>Unit Holder</b>	Any registered holder for the time being, of a Unit of the Scheme offered under this SID including persons jointly registered.
<b>Valuation Day</b>	Business Day.
<b>Words and Expressions used in this SID and not defined</b>	Same meaning as in the Trust Deed

#### F. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

**For Mirae Asset Global Investments (India) Private Limited**

Sd/-

Date: September 23, 2014  
Place: Mumbai

**Ritesh Patel**  
Head - Compliance, Risk, Legal & Company Secretary

## II. INFORMATION ABOUT THE SCHEME

### A. TYPE OF THE SCHEME:

An open-ended equity oriented asset allocation scheme.

### B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The investment objective of the Scheme is to generate capital appreciation along with current income from a combined portfolio of equity & equity related instruments and debt and money market instruments. **The Scheme does not guarantee or assure any returns.**

### C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation will be as follows:

Types of Instruments	Indicative allocation		Risk Profile
	(% of total assets)		
	Minimum	Maximum	High/Medium/Low
Equity and Equity Related Instruments*	65	80	High
Companies which are amongst the top 100 companies by market capitalization at the time of investment	65	80	
Companies which are not amongst the top 100 companies by market capitalization at the time of investment	0	15	
Debt & Money Market Instruments	20	35	Medium

\*Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, derivatives, etc.

The Scheme shall not invest in securitized debt and shall not engage into stock lending/short selling. All the investment shall be made subject to the guidelines which may be prescribed by the Board of Directors of the Asset Management Company and Trustee Company.

In accordance with SEBI Circular No.Cir/IMD/DF/11/2010 dated August 18, 2010 the cumulative investments in the Fund including investment in equity and equity related instruments, debt and money market and derivatives, if any, shall not exceed 100% of the net assets under management of the scheme.

The Scheme may invest in derivative products from time to time as permitted by SEBI. The exposure to derivative instruments shall not exceed 10% of the total Net Assets of Scheme.

The Scheme will not participate in short selling, securitized debt, equity linked debentures, repo/reverse repo transactions of Corporate Debt Securities and shall not invest in foreign securities. The scheme does not intend to invest into any credit default swaps.

Debt securities include, but are not limited to, Debt Obligations of the Government of India, State and Local Governments, Government Agencies, Statutory Bodies, Public Sector Undertakings, Public Sector Banks or Private Sector Banks or any other Banks, Financial Institutions, Development Financial Institutions, and Corporate Entities, collateralized debt obligations or any other instruments as may be prevailing and permissible under the Regulations from time to time).

The Debt Securities (including money market instruments) referred to above could be fixed rate or floating rate, listed, unlisted, privately placed, among others, as permitted by regulation. The Scheme may also invest in deposits of Scheduled Commercial Banks as permitted under Regulations/Guidelines. The Investment Manager will invest only in those debt securities that are rated investment grade by a domestic credit rating agency authorized to carry out such activity, such as CRISIL, ICRA, CARE, FITCH, etc.

In accordance with SEBI Circular No.CIR/IMD/DF/21/2012 dated 13<sup>th</sup> September, 2012, the total exposure in a

particular sector (excluding investments in Bank CDs, CBLO, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of the Scheme.

Provided that an additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NBH) and the total Investment/exposure in HFCs shall not exceed 30% of the net assets of the Scheme.

Pending deployment of funds of a Scheme in securities in terms of investment objectives of the Scheme a mutual fund can invest the funds of the Scheme in short term deposits of scheduled commercial banks. The investment in these deposits shall be in accordance with SEBI Circular dated April 16, 2007, October 26, 2007 and June 23, 2008.

Further, the Scheme may, pending deployment of funds invest in units of money market/liquid schemes of Mirae Asset Mutual Fund and/or any other mutual fund. Such investments will be within the limits specified under SEBI (MF) Regulations. The AMC shall not charge any investment management fees with respect to such investment.

Subject to SEBI (MF) Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive consideration only. In the event of deviations, portfolio rebalancing will be carried out within 30 calendar days. Where the portfolio is not rebalanced within 30 calendar Days, justification for the same shall be placed before the Investment Committee and reasons for the same

shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Investments other than in equity will be made for managing liquidity in the normal market circumstances. The preferred instruments will be debt and money market instruments include commercial papers, commercial bills, treasury bills, Government securities, CBLO or notice money, certificate of deposit and any other like instruments as specified by Reserve Bank of India from time to time.

#### INVESTMENT BY THE AMC IN THE SCHEME

Subject to the Regulations, the AMC may invest either directly or indirectly, in the Scheme during the NFO and/or on ongoing basis. However, the AMC shall not charge any investment management fee on such investment in the Scheme.

#### Overview of Debt Markets in India

Indian fixed income market, one of the largest and most developed in South Asia, is well integrated with the global financial markets. Screen based order matching system developed by the Reserve Bank of India (RBI) for trading in government securities, straight through settlement system for the same, settlements guaranteed by the Clearing Corporation of India and innovative instruments like CBLO have contributed in reducing the settlement risk and increasing the confidence level of the market participants.

The RBI reviews the monetary policy six times a year giving the guidance to the market on direction of interest rate movement, liquidity and credit expansion. The central bank has been operating as an independent authority, formulating the policies to maintain price stability and adequate liquidity. Bonds are traded in dematerialized form. Credit rating agencies have been playing an important role in the market and are an important source of information to manage the credit risk.

Government (Central and State) is the largest issuer of debt in the market. Public sector enterprises, quasi government bodies and private sector companies are other issuers. Insurance companies, provident funds, banks, mutual funds, financial institutions, corporates and FPIs are major investors in the market. Government loans are available up to 30 years maturity. Variety of instruments available for investments including plain vanilla bonds, floating rate bonds, money market instruments, structured obligations and interest rate derivatives make it possible to manage the interest rate risk effectively.

Indicative levels of the instruments currently trading as on 31<sup>st</sup> May, 2015 are as follows:

Instrument	Maturity	Tenure	Yield	Liquidity
CBLO/Repo	Short	Overnight	7.54	Very High
CP/CD/T Bills	Short	3 months CP	8.23	High
		3 months CD	7.96	
		91DTB	7.78	
		364 DTB	7.77	
PSU/Corporate Bonds	Medium	3-5 years	NA	Medium
Central/State Government Securities	Low to High	10 years	8.51	High

#### D. WHERE THE SCHEME WILL INVEST?

##### Equity and Equity Related Instruments:

The Scheme will invest in equity and equity related instruments.

1. Equity share is a security that represents ownership interest in a company.
2. Equity Related Instruments are securities which give the holder of the security right to receive Equity Shares on pre-agreed terms. It includes equity warrants.

**The fund will invest atleast 65% of its assets in companies which are amongst the top 100 companies by market capitalization at the time of investment. The investment in larger companies will help provide more stability and less price volatility to the fund.**

##### Debt & Money Market Instruments:

The Scheme will invest in debt and money market instruments. It retains the flexibility to invest across all the securities in the debt and money markets.

Debt securities and Money Market Instruments will include but will not be limited to:

- a. Securities created and issued by the Central and State Governments as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- b. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- c. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- d. Corporate debt (of both public and private sector undertakings).
- e. Obligations/Term Deposits of banks (both public and private sector) and development financial institutions.
- f. Money market instruments permitted by SEBI/RBI, or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
- g. Certificate of Deposits (CDs).
- h. Commercial Paper (CPs). A part of the net assets may be invested in the Collateralized Borrowing & Lending Obligations (CBLO) or in an alternative investment as may be provided by RBI to meet the liquidity requirements.
- i. The non-convertible part of convertible securities.
- j. Any other domestic fixed income securities as permitted by SEBI/RBI from time to time.
- k. Any other instruments/securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations.

The Investment Manager will invest only in those debt securities that are rated investment grade by a domestic credit rating agency authorized to carry out such activity, such as CRISIL, ICRA, CARE, FITCH, etc. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals.

The Scheme shall not enter into any repurchase and reverse repurchase obligations in all securities held by it. The scheme does not intend to invest into any credit default swaps.

##### Credit Evaluation Policy

Credit Analysis at MAMF is an independent function performed by the Risk Management (RM) team. The RM team sets up and monitors lending limits for each debt

issuer. Issuer risk limits cover the quantum of exposure, maximum tenor and in some instances the type of instruments that can be purchased by the Investment Manager. An individual scheme's access to the issuer limit is dependent on its investment objectives, regulatory restrictions and assets under management. Risk limits for issuers are assigned and reviewed regularly at an internal investment Committee Meetings.

#### Credit evaluation process:

The credit evaluation process includes a thorough analysis of the operating and financial strength of the issuer as well as management and industry risk evaluation. For structured obligations, in addition to the above, the evaluation also covers originator analysis, collateral analysis, structure analysis and embedded risk analysis. Each credit proposal is discussed by an internal Investment Committee and a limit is assigned, if the issuer/structure is suitable.

#### Sectors in which the Schemes shall not invest –

##### Real estate and Aviation

The AMC currently does not invest in debt issued by Real Estate and Aviation companies. Typically, the Investment team identifies sectors which are deemed vulnerable at any given point of time depending on the macro environment and avoids exposure to such sectors. Thus, sector restrictions may be temporary and may change in different environments.

#### Investment in Derivatives:

##### Concepts and Examples of investing into Derivatives

Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index, such as: interest rates, exchange rates, commodities and equities.

#### • Futures

A futures contract is an agreement between the buyer and the seller for the purchase and sale of a particular asset at a specific price on a specific future date. The price at which the underlying asset would change hands in the future is agreed upon at the time of entering into the contract. The actual purchase or sale of the underlying asset involving payment of cash and delivery of the instrument does not take place until the contracted date of delivery. A futures contract involves an obligation on both the parties to fulfill the terms of the contract.

Currently, futures contracts have a maximum expiration cycle of 3-months. Three contracts are available at any time for trading, with 1 month, 2 months and 3 months expiry respectively. Futures contracts typically expire on the last Thursday of the month. For example, a contract with the January expiration expires on the last Thursday of January.

A futures contract on the stock market index gives its owner the right and obligation to buy or sell the portfolio of stocks characterized by the index. Stock index futures are cash settled; there is no delivery of the underlying stocks.

Let us assume that the Nifty Index at the beginning of the month October 2014 was 5070 and three index futures as under were available:

Expiry Month	Bid Price	Offer Price
October 14	5075	5080
November 14	5085	5090
December 14	5095	5100

The Scheme could buy an index future of October, 2014 at the offer price of Rs. 5080. The Fund will be required to pay the initial margin as required by the exchanges.

The following is a hypothetical example of a typical trade in index future and the costs associated with the trade.

Particulars	Index Future	Actual Purchase of Stocks
Index as on beginning October 2014	5070	5070
October 2014 Futures Price	5080	-
1. Carry Cost associated with Futures	10 (5080-5070)	
2. Brokerage Cost @ 0.02% for Index Future and 0.03% for Cash Markets	1.016 (0.02% of 5080)	1.521 (0.03% of 5070)
3. Securities Transaction Tax (STT) STT on purchase of index futures - NIL STT on purchase of stocks - 0.025%	NIL (0% of 5080)	1.2675 (0.025% of 5070)
4. Gain on Surplus Funds (Assumed 6% returns on 75% of the money left after paying margin of 25%)	18.74 (6%*(100% of 5070 - 25% of 5080)*30/365)	NIL
Spot Market Price at the expiry of October Contract	5569	5569
5. Brokerage Cost on Sale @ 0.02% for Index Future and 0.03% for Cash Markets	1.114 (0.02% of 5569)	1.671 (0.03% of 5569)
6. Securities Transaction Tax STT on sale of index future – 0.025% STT on sale of stocks – 0.025%	1.114 (0.025% of 5569)	1.392 (0.025% of 5569)
Total Cost (1+2+3-4+5+6)	-5.50	5.85

Please note that the above example is based on assumptions and is used only for illustrative purposes (including an assumption that there will be a gain pursuant to investment in index futures). As can be seen in the above example, the costs associated with the trade in futures are less than that associated with the trade in actual stock. Thus, in the above example the futures trade seems to be more profitable than the trade in actual stock. However, buying of the index future may not be beneficial as compared to buying stocks if the execution and brokerage costs on purchase of index futures are high and the return on surplus funds are low. The actual returns may vary based on actuals and depends on final guidelines/procedures and trading mechanism as envisaged by stock exchanges and other regulatory authorities.



- **Options**

An option is a contract which provides the buyer of the option (also called the holder) the right, without the obligation, to buy or sell a specified asset at an agreed price on or upto a particular date. For acquiring this right the buyer has to pay a premium to the seller. The seller on the other hand has the obligation to buy or sell that specified asset at the agreed price. The premium is determined considering number of factors such as the underlying asset's market price, the number of days to expiration, strike price of the option, the volatility of the underlying asset and the risk less rate of return. The strike price, the expiration date and the market lots are specified by the exchanges.

An option contract may be of two kinds, viz., a call option or a put option. An option that provides the buyer the right to buy is a call option. The buyer of the call option (known as the holder of the option) can call upon the seller of the option (known as writer of the option) and buy from him the underlying asset at the agreed price at any time on or before the expiry date of the option. The seller of the option has to fulfill the obligation on exercise of the option.

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

Options are of two types: European and American. In a European option, the holder of the option can only exercise his right on the date of expiration. In an American option, he can exercise this right anytime between the purchase date and the expiration date.

#### **Example of options**

**Buying a Call option:** Assume that the Scheme buys a call option at the strike price of Rs. 5,000 and pays a premium of Rs. 100. If the market price of the underlying stock on the date of expiry of the option is Rs. 5,400 (i.e. more than Rs. 5,000 which is the strike price of an option), the Scheme will exercise the option. However, it may not result into profit. The profit is made only in those circumstances when the intrinsic value (5400 (spot price)-5000(strike price)) is greater than cost paid i.e. option premium (100). If on the date of the expiry of the option, the market price of the underlying stock is Rs. 4,900, the Scheme will not exercise the option and it shall lose the premium of Rs. 100.

Thus, in the above example, the loss for the Scheme, as the buyer of the option, is limited to the premium paid by him while the gains are unlimited.

**Writing a Call Option:** Assume that the Scheme writes a call option at the strike price of Rs. 5,000 and earns a premium of Rs. 100. If the market price of the underlying stock on the date of expiry increases to Rs. 5,400 (i.e. more than Rs. 5,000) then the option is exercised. The Scheme earns the premium of Rs. 100/- but loses the difference between the market price and the exercise price i.e. Rs. 400/-. In case the market price of the underlying stock decreases to Rs. 4,900, the Scheme gets to keep the premium of Rs.100.

**Buying a Put Option:** Assume that the Scheme buys a put option at the strike price of Rs. 5,000 and pays a premium of Rs. 100. If the market price of the underlying stock decreases to Rs. 4,850 (i.e. less than strike price of 5000) the Scheme would be protected from the downside and would exercise the put option. However, it may not result into profit. The profit is

resulted only when the intrinsic value (5000 (strike price)– 4850(spot price)) is greater than the cost paid i.e. option premium of 100. Whereas if the stock price moves up to say Rs. 5,150 the Scheme may let the option expire and forego the premium.

**Writing a Put Option:** Assume that the Scheme writes a put option at the strike price of Rs. 5,000 and earns a premium of Rs. 100. If the market value of the underlying stock decreases to Rs. 4,850, the put option will be exercised and the Scheme will earn the premium of Rs. 100 but loses the difference between the exercise price and the market price which is Rs. 150. However if the market price of the underlying stock is Rs. 5,150, the option-holder will not exercise the option. As a result of which the option will expire and the Scheme will earn the premium income of Rs. 100.

A forward contract is a transaction in which the buyer and the seller agree upon the delivery of a specified quality (if commodity) and quantity of underlying asset at a predetermined rate on a specified future date.

Please note that the above examples are based on assumptions and are used only for illustrative purposes.

Risks associated with investment strategy which may be followed by the fund managers for investment in derivatives:

Execution of investment strategies depends upon the ability of the fund manager to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable.

The Scheme may face execution risk, whereby the rates seen on the screen may not be the rate at which the ultimate execution of the derivative transaction takes place.

## **E. WHAT ARE THE INVESTMENT STRATEGIES?**

This fund is positioned as a lower risk alternative to a pure equities scheme, while retaining some of the upside potential from equities exposure.

The Scheme provides the Investment Manager flexibility to shift allocations within the mentioned asset allocation in the event of a change in view regarding an asset class.

The Scheme will primarily invest in equity and equity related securities.

### **Equity:**

The fund will invest atleast 65% of its assets in companies which are amongst the top 100 companies by market capitalization (at NSE) at the time of investment. The investment in larger companies will help provide more stability and less price volatility to the fund.

This fund is positioned as a lower risk alternative to a pure equities scheme, while retaining the upside potential from equities exposure. The investment in larger companies will help provide more stability and less price volatility to the equity investments of the fund. The Scheme provides the Investment Manager flexibility to shift allocations within the mentioned asset allocation in the event of a change in view regarding an asset class.

For the equity portion, to the extent the fund invests in equity shares, the focus would be to build a diversified portfolio of strong growth companies, reflecting our most attractive investment ideas, at all points of time.

The fund manager may not have any bias towards particular theme or style in picking investment opportunities. However, the fund manager does have the flexibility to follow a focused approach on the investments.

The fund manager broadly analyses the macro economy, industry trends and business cycles. He will invest in companies that benefit from macroeconomic, industry and sectoral trends (Top down Theme Overlay) after doing bottom up analysis and due diligence, quality of management in terms of corporate governance and commitment to minority shareholders etc.

The universe of stocks will comprise majority of companies which are among the 100 companies by market capitalization at the time of investment and will include companies having a robust business models, enjoying sustainable competitive advantages as compared to their competitors and have high return ratios.

The Fund Manager will try to have a large base of stocks in the portfolio to avoid concentration risk and liquidity risk. The Fund Managers will monitor the trading volumes in a particular stock before investment to avoid liquidity risk.

The Scheme will also invest in debt securities and money market instruments.

- The credit quality of the portfolio will be maintained and monitored using in-house research capabilities as well as inputs from external sources such as independent credit rating agencies.
- The investment team will primarily use a top down approach for taking interest rate view, sector allocation along with a bottom up approach for security/instrument selection.
- The bottom up approach will assess the quality of security/instrument (including the financial health of the issuer) as well as the liquidity of the security.
- Investments in debt instruments carry various risks such as interest rate risk, reinvestment risk, credit risk and liquidity risk etc. Whilst such risks cannot be eliminated, they may be minimized through diversification.

Risk is an inherent part of the investment function. Effective risk management is critical to fund management for achieving financial soundness. Investments by the Scheme shall be made as per the investment objective of the Scheme and provisions of SEBI (MF) Regulations. AMC has incorporated adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep it in line with the investment objective of the Scheme. The risk control process involves identifying & measuring the risk through various Risk Measurement Tools like but not limited to calculating risk ratios, tracking error etc. The AMC has implemented Quantis as the Front Office and Settlement System (FOS). The system has incorporated all the investment restrictions as per SEBI guidelines and “soft” warning alerts at appropriate levels for preemptive

monitoring. The system enables identifying & measuring the risk through various risk measurement tools like various risk ratios, average duration and analyzes the same so as to act in a preventive manner.

The risk control measures for managing the debt portion of the scheme are:

1. Monitoring risk adjusted returns performance of the fund with respect to its peers and its benchmark.
2. Tracking analysis of the fund on various risk parameters undertaken by independent fund research/rating agencies or analysts and take corrective measures if needed.
3. Credit analysis plays an important role at the time of purchase of bond and then at the time of regular performance analysis. Our internal research anchors the credit analysis. Sources for credit analysis include Capital Line, CRISIL, ICRA updates etc. Debt ratios, financials, cash flows are analysed at regular intervals to take a call on the credit risk.
4. We define individual limits for G Sec, money market instruments, MIBOR linked debentures and corporate bonds exposure, for diversification reasons.

The Scheme does not propose to underwrite issuances of securities of other issuers. There will be no exposure to securitized debt securities in the portfolio.

#### **Policy for Investment decisions**

The investment policy of the AMC has been determined by the Investment Committee (“IC”) which has been ratified by the Boards of the AMC and Trustee. At the strategic level, the broad investment philosophy of the AMC and the authorized exposure limits are spelt out in the Investment Policy of the AMC. During trading hours, the Fund Managers have the discretion to take investment decisions for the Scheme within the limits defined in the Investment Policy, these decisions and the reasons thereof are communicated to the CEO for post facto approval.

*The designated Fund Managers of the Scheme will be responsible for taking day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.*

#### **Portfolio Turnover Policy**

Portfolio turnover is defined as the aggregate value of purchases or sales as a percentage of the corpus of a scheme during a specified period of time. The Scheme is open ended, with subscriptions and redemptions expected on a daily basis, resulting in net inflow/outflow of funds, and on account of the various factors that affect portfolio turnover; it is difficult to give an estimate, with any reasonable amount of accuracy.

However, during volatile market conditions, the fund manager has the flexibility to churn the portfolio actively to optimize returns keeping in mind the cost associated with it.

**Differentiation of existing equity schemes of Mirae Asset Mutual Fund:**

<b>Scheme Name</b>	<b>Asset Allocation Pattern</b>	<b>Primary Investment Focus</b>	<b>Differentiation</b>	<b>No of Folios as on May 31, 2015</b>	<b>AUM as on May 31, 2015 (in crores)</b>
<b>Mirae Asset India Opportunities Fund (MAIOF)</b>	Indian Equities and Equity Related Securities* - 65% to 100%, Money market instruments/debt securities Instruments (Including upto 25% of corpus in securitized debt) - 0% to 35%.	The Primary Investment Focus of the scheme is to generate long term capital appreciation by capitalizing on potential investment opportunities through predominantly investing in equities, equity related securities.	The investment strategy of the scheme is such that the fund manager may not have any bias towards particular theme, sector, market cap or style in picking investment opportunities.	61078	1128.60
<b>Mirae Asset Global Commodity Stock Fund (MAGCSF)</b>	Asia Pacific and/or Emerging Markets Equities and Equity Related Securities (excluding Indian equities and equity related securities) of companies that are engaged in commodity and commodities related sectors/sub sectors/ industries*- 65% to 100%, Indian Equities and Equity Related Securities, including but not limited to those that are engaged in commodity and commodities related sectors/sub sectors/ industries*- 0% to 35%, Money market instruments/debt securities Instruments** (Including upto 25% of corpus in securitized debt) - 0% to 35%.	The Primary Investment Focus of the scheme is to generate long term capital appreciation through an actively managed portfolio investing in equity and equity related securities of companies that are engaged in commodity and commodities related sectors/sub-sectors/ industries, with at least 65% of the corpus invested overseas in Asia Pacific and Emerging Markets.	In MAGCSF, the fund manager has a bias towards companies that are engaged in commodity or commodity related sectors in Asia Pacific region and Emerging market countries.	2990	9.46
<b>Mirae Asset China Advantage Fund (MACAF)</b>	Units of Mirae Asset China Sector Leader Equity Fund and/or units of other mutual fund schemes, units of ETFs investing in equities and equity related securities of companies domiciled in or having their area of primary activity in China and Hong Kong* - 80% - 100%, Money market instruments and debt Instruments** and/or units of debt/liquid schemes of Domestic Mutual Funds - 0% - 20%.	The Primary Investment Focus of the scheme is to generate long-term capital appreciation by investing predominantly in units of Mirae Asset China Sector Leader Equity Fund and/or units of other mutual fund schemes, units of exchange traded schemes that focus on investing in equities and equity related securities of companies domiciled in or having their area of primary Activity in China and Hong Kong.	In MACAF, the scheme will invest predominantly in units of Mirae Asset China Sector Leader Equity Fund and/or units of other mutual fund schemes, units of ETFs investing in equities and equity related securities of companies domiciled in or exercising a large portion of their economic activity in China and Hong Kong.	1408	21.12

Scheme Name	Asset Allocation Pattern	Primary Investment Focus	Differentiation	No of Folios as on May 31, 2015	AUM as on May 31, 2015 (in crores)
<b>Mirae Asset Emerging Bluechip Fund (MAEBF)</b>	Indian Equities and Equity Related Securities* of companies, which are not part of the top 100 stocks by market capitalization and have market capitalization of at least Rs.100 Crores at the time of Investment - 65% to 100%. Other Indian Equities and Equity Related Securities.* - 0% to 35%. Money Market instruments/debt securities Instruments** Including upto 20% of corpus in securitized debt) - 0% to 35%.	The Primary Investment Focus of the scheme is to generate income and capital appreciation from a diversified portfolio predominantly investing in Indian equities and equity related securities of companies which are not part of the top 100 stocks by market capitalization and have market capitalization of at least Rs.100 Crores at the time of investment.	In MAEBF, the fund manager has a clear bias towards investing in Indian equities and equity related securities of companies which are not part of the top 100 stocks by market capitalization and have market capitalization of at least Rs. 100 Crores at the time of investment. Moreover, MAEBF is benchmarked to CNX Midcap Index.	35428	749.89
<b>Mirae Asset India-China Consumption Fund (MAICCF)</b>	Indian Equities and Equity Related Securities of companies that are likely to benefit either directly or indirectly from consumption led demand - 65% - 90%, Chinese Equities and Equity Related Securities of companies that are likely to benefit either directly or indirectly from consumption led demand - 10% - 35%, Money market instruments (including CBLO)/debt securities Instruments and/or units of debt/liquid schemes of domestic Mutual Funds. - 0% - 25%.	The Primary Investment Focus of the scheme is to generate long term capital appreciation through an actively managed portfolio investing in equity and equity related securities of companies that are likely to benefit either directly or indirectly from consumption led demand in India/China. The Scheme does not guarantee or assure any returns.	In MAICCF, the scheme will invest predominantly invests in equity and equity related securities of companies that are likely to benefit either directly or indirectly from consumption led demand in India/China.	2258	37.06
<b>Mirae Asset Prudence Fund (MAPF)</b>	Equity and Equity Related Instruments- 65% - 80% (Companies which are amongst the top 100 companies by market capitalization at the time of investment - 65% - 80%; Companies which are not amongst the top 100 companies by market capitalization at the time of investment - 0% - 15%); Debt & Money Market Instruments - 20% - 35%	The investment objective of the Scheme is to generate capital appreciation along with current income from a combined portfolio of equity & equity related instruments and debt and money market instruments. The Scheme does not guarantee or assure any returns.	This Scheme is positioned as a lower risk alternative to a pure equities scheme, while retaining some of the upside potential from equities exposure. The Scheme provides the Investment Manager flexibility to shift allocations within the mentioned asset allocation in the event of a change in view regarding an asset class. The fund will invest at least 65% of its assets in companies which are amongst the top 100 companies by market capitalization (at NSE) at the time of investment.	NA	NA



## F. FUNDAMENTAL ATTRIBUTES

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

### (i) Type of Scheme:

An open-ended equity oriented asset allocation scheme.

### (ii) Investment Objective:

The investment objective of the Scheme is to generate capital appreciation along with current income from a combined portfolio of equity & equity related instruments and debt and money market instruments.

**The Scheme does not guarantee or assure any returns.**

The Scheme does not provide any safety net or guarantee to the investors.

### (iii) Terms of Issue:

#### (a) Listing:

The Scheme being open ended, the Units are not proposed to be listed on any stock exchange and no transfer facility is provided.

#### (b) Redemption of Units:

The Unit Holder has the option to request for Redemption either in amount in rupees or in number of Units. The minimum redemption amount shall be 'any amount' or 'any number of units' as requested by the investor at the time of redemption request.

#### Redemption Price:

The Redemption Price of the Units is the price at which a Unit Holder can redeem Units of a scheme. It will be calculated as described below:

Redemption Price = Applicable NAV - (Applicable NAVX Exit Load\*)

\* Exit Load, whatever is applicable, will be charged.

Redemption Price will be calculated for up to three decimal places for the Scheme.

For example, if the Applicable NAV of a Scheme is Rs.10.555, and it has a 2% Exit Load, the Redemption Price will be calculated as follows:

Redemption Price = 10.555 - (10.555 X 2.00%) i.e. 10.455 - 0.211 = 10.344

If the Scheme has no Exit Load, the Redemption Price will be equal to the Applicable NAV.

The Securities Transaction Tax levied under the Income Tax Act, 1961, at the applicable rate on the amount of redemption will be reduced from the amount of redemption.

#### **To illustrate:**

If a Redemption of 4,900 units is sought by the Unit Holder at a Redemption Price of Rs.10.344 (as calculated above), the redemption amount is Rs. 50,685.60. Securities Transaction Tax (STT) for instance is 0.001%. This will be further reduced by the STT of Re. 0.50 (i.e. Rs. 50,685.60 x 0.001%), making the net redemption amount Rs. 50,685.10.

If a Redemption of Rs. 10,000 is sought by the Unit Holder at a Net Redemption Price of Rs. 10.344 (as calculated above), which will give 966.744 Units; the effective redemption amount will be grossed up to Rs. 10,204.08 (i.e. 10,000 ÷ (1-2%)) and 966.744 units (10,204.08 ÷ 10.555) will be redeemed. This is to

ensure that the Unit Holder receives the net amount of Rs. 10,000 as desired.

Investors may note that the Trustee has a right to modify the existing Load structure in any manner subject to a maximum as prescribed under the Regulations and with prospective effect only.

Please refer section – LOAD STRUCTURE.

Applicable NAV for Redemption/Switch Out/Systematic Transfer Plan:

- In respect of valid Redemption applications accepted at a Designated Collection Centre up to 3 p.m. on a Business Day, the NAV of such day will be applicable.
- In respect of valid Redemption applications accepted at a Designated Collection Centre after 3 p.m. on a Business Day, the NAV of the next Business Day will be applicable.

#### **Right to Limit Purchase & Redemptions:**

The Trustee may, in the general interest of the Unit Holders of the Scheme and when considered appropriate to do so based on unforeseen circumstances/unusual market conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue, under the Scheme and option(s) thereof, or such other percentage as the Trustee may determine. Any Units, which consequently are not redeemed on a particular Business Day, will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing Load) of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, redemptions will be made on a pro-rata basis, based on the size of each Redemption request, the balance amount being carried forward for Redemption to the next Business Day. In addition, the Trustee reserves the right, in its sole discretion, to limit redemptions with respect to any single account to an amount of Rs. 1 Lakh in a single day.

#### (c) Aggregate fees and expenses charged to the scheme:

For detailed fees and expenses charged to the scheme please refer to section 'Fees and Expenses'.

#### (d) The Scheme does not provide any safety net or guarantee to the investors.

There is no assurance OR guarantee of returns.

#### **Change in the fundamental attributes of the Schemes:**

In accordance with Regulation 18(15A) of the Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme or the Fund or the fees and expenses payable or any other change which would modify the Scheme and affect the interest of the Unit Holders will be carried out unless:

- A written communication about the proposed change is sent to each Unit Holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a Marathi daily newspaper with wide circulation published in Mumbai (as the head office of the Fund is situated there); and

- The Unit holders are given an option to exit for a period of 30 days to exit at the prevailing Net Asset Value without any exit Load.

Fundamental attributes will not cover such actions of the Trustee of the Mutual Fund or the Board of Directors of the Asset Management Company, made in order to conduct the business of the Trust, the Scheme or the Asset Management Company, where such business is in the nature of discharging the duties and responsibilities with which they have been charged. Nor will it include changes to the Scheme made in order to comply with changes in regulation with which the Scheme has been required to comply.

#### G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The performance of the scheme will be benchmarked to the performance of the **CRISIL Balanced Fund Index**.

#### H. WHO MANAGES THE SCHEME?

Mr. Neelesh Surana, Head - Equities shall manage the equity portion and Mr. Yadnesh Chavan, Fund Manager - Fixed Income shall be managing the debt portion of the portfolio.

Name	Age	Qualification	Last 10 years' experience
<b>Mr. Neelesh Surana</b>	45 years	BE - Mechanical MBA- Finance	Mr. Neelesh Surana is Head of Equities at Mirae Asset Global Investments (India) Pvt. Ltd. He joined Mirae Asset in 2008. In his capacity as Head of Equities, Neelesh spearheads the equity research and investment function. He is responsible for the managing existing equity funds of Mirae Asset (India), as well as, providing research support for the global mandate. Key funds managed or co-managed by him include Mirae Asset India Opportunities Fund, Mirae Asset Emerging Bluechip Fund, and Mirae Asset India China consumption fund.  An engineering graduate with MBA in Finance, Neelesh has over 18 years of experience in equity research and portfolio management. Prior to Mirae, Neelesh was with ASK Investment Managers Ltd., as Senior Portfolio Manager responsible for managing domestic, and international portfolios.
<b>Mr. Yadnesh Chavan</b> Fund Manager - Fixed Income	30 years	MBA from Indian Institute of Planning and Management, New Delhi	Mr. Yadnesh has over 8 years of experience in Fixed Income Dealing, Portfolio regulatory and compliance & Management of Debt Portfolios. He is responsible for the overall Fund management of Fixed Income funds. His last assignment was with Aviva Life Insurance Company India Ltd., where he was assisting in management of debt portfolios & portfolio risk management. Prior to that, he was also associated with Investment team of ICICI Lombard General Insurance Co. Ltd. & Max New York Life Insurance Ltd. handling similar responsibilities.  The other schemes being managed by Mr. Chavan are Mirae Asset Ultra Short Term Bond Fund, Mirae Asset Cash Management Fund & Mirae Asset Short Term Bond Fund.

#### I. WHAT ARE THE INVESTMENT RESTRICTIONS?

##### Investment Limitations and Restrictions

The following investment limitations and other restrictions, inter-alia, as contained in the Trust Deed and the Regulations apply to the Scheme:

- The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a Credit Rating Agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Boards of Trustee and AMC, provided that such limit shall not be applicable for investments in government securities and money market instruments.
- Such limit shall not be applicable for investment in Government Securities and Money Market Instruments.
- Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified above.
- Pending deployment of funds of a scheme in securities in terms of investment objectives of the scheme a

The Trustees reserve the right to change the benchmark of the Scheme by suitable notification to the investors to this effect.

##### Rationale for adoption of benchmark:

CRISIL Balanced Fund Index seeks to track the performance of an equity-oriented hybrid portfolio having a blend of the CNX Nifty Index (65%) and CRISIL Composite Bond Fund Index (35%).

- The index seeks to capture returns on a balanced portfolio which includes equity and debt
- Base date for the Index: March 31, 2002.
- Index portfolio marked-to-market on a daily basis

mutual fund can invest the funds of the scheme in short term deposits of scheduled commercial banks. The investment in these deposits shall be in accordance with SEBI Circulars dated April 16, 2007 and June 23, 2008.

As per SEBI Circular SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007:

- Total investment of the Scheme in Short term deposit(s) of all the Scheduled Commercial Banks put together shall not exceed 15% of the net assets. However, this limit can be raised upto 20% of the net assets with prior approval of the trustees. Further, investments in Short Term Deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- Scheme shall not invest more than 10% of the net assets in short term deposit(s), of any one scheduled commercial bank including its subsidiaries.
- Scheme shall not invest in short term deposit of a bank which has invested in that Scheme.

As per the circular dated 23 June, 2008, the above shall not apply to term deposits placed as margins for trading in cash and derivatives market.

- i. The investments in short term deposits of scheduled commercial banks will be reported to the Trustees along with the reasons for the investment which, inter-alia, would include comparison with the interest rates offered by other scheduled commercial banks. Further, AMC shall ensure that the reasons for such investments are recorded in the manner prescribed in SEBI Circular MFD/CIR/6/73/2000 dated July 27, 2000 and June 23, 2008.
  - ii. The Scheme will comply with SEBI regulations and any other regulations applicable to the investments of Funds from time to time. The Trustee may alter the above restrictions from time to time to the extent that changes in the regulations may allow. All investment restrictions shall be applicable at the time of making investment.
    - Inter scheme transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if 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. The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
    - Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities, provided that mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.
    - Every mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
    - The Scheme shall not make any investment in: a) Any unlisted security of an associate or group company of the Sponsor; or b) Any security issued by way of private placement by an associate or group company of the sponsor; or c) The listed securities of group companies of the Sponsor which is in excess of 25% of the net assets.
    - No scheme of a mutual fund shall make any investment in any fund of funds scheme.
    - The Mutual Fund having an aggregate of securities which are worth Rs.10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by SEBI, settle their transactions entered on or after January 15, 1998 only through dematerialized securities. Further, all transactions in government securities shall be in dematerialized form.
    - A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund.
    - No mutual fund scheme shall invest more than thirty percent of its net assets in money market instruments of an issuer.  
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
    - The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of Repurchase/Redemption of Unit or payment of interest and/or Dividend to the Unit holder. The Fund shall not borrow more than 20% of the net assets of the individual Plans and the duration of the borrowing shall not exceed a period of 6 months.
    - In terms of Regulation 44 (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
    - The total exposure in a particular sector (excluding investments in Bank CDs, CBLO, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of the Scheme.  
Provided that an additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only;  
Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NBH) and the total Investment/exposure in HFCs shall not exceed 30% of the net assets of the scheme.
    - No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights.
    - No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company:  
Provided that, the limit of 10 per cent shall not be applicable for investments in index fund or sector or industry specific scheme.
    - A mutual fund scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments in case of open ended scheme and 10% of its NAV in case of close ended scheme.
    - The Scheme will not advance any loan for any purpose.  
These investment limitations/parameters as expressed (linked to the Net Asset/Net Asset Value/capital) shall, in the ordinary course, apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Mutual Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, the AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unit Holders.
- The Scheme will comply with SEBI regulations and any other regulations applicable to the investments of Funds from time to time. The Trustee may alter the above restrictions from time to time to the extent that changes in the regulations may allow. All investment restrictions shall be applicable at the time of making investment.
- The Trustee may alter the above restrictions from time to time to the extent that changes in the Regulations may allow and as deemed fit in the general interest of the Unit Holders.

Apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund does not follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector etc.

- The Scheme does not propose to underwrite issuances of securities of other issuers.
- There will be no exposure to securitized debt securities in the portfolio.

- The fund does not invest in debt issued by real estate companies

#### **Investments Limitations and Restrictions in Derivatives**

In accordance with SEBI Circular dated August 18, 2010, the following investment restrictions shall apply with respect to investment in Derivatives:

Sr. No.	Particulars								
1	The cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of the scheme. However, cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.								
2	The Scheme shall not write options or purchase instruments with embedded written options.								
3	The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.								
4	Exposure due to hedging positions may not be included in the above mentioned limits subject to the following: <ul style="list-style-type: none"> <li>a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.</li> <li>b. Hedging positions shall not be taken for existing derivative positions. Exposure due to such positions shall be added and treated under gross cumulative exposure limits mentioned under Point 1.</li> <li>c. Any derivative instrument used to hedge shall have the same underlying security as the existing position being hedged.</li> <li>d. The quantity of underlying associated with the derivative position taken for hedging purposes shall not exceed the quantity of the existing position against which hedge has been taken.</li> </ul>								
5	The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions shall be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions shall not exceed 10% of the net assets of the scheme.								
6	Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under gross cumulative exposure limits mentioned under Point 1.								
7	Each position taken in derivatives shall have an associated exposure as defined below. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows: <table border="1" data-bbox="199 1160 1062 1294"> <thead> <tr> <th>Position</th><th>Exposure</th></tr> </thead> <tbody> <tr> <td>Long Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr> <tr> <td>Short Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr> <tr> <td>Option bought</td><td>Option Premium Paid * Lot Size * Number of Contracts</td></tr> </tbody> </table>	Position	Exposure	Long Future	Futures Price * Lot Size * Number of Contracts	Short Future	Futures Price * Lot Size * Number of Contracts	Option bought	Option Premium Paid * Lot Size * Number of Contracts
Position	Exposure								
Long Future	Futures Price * Lot Size * Number of Contracts								
Short Future	Futures Price * Lot Size * Number of Contracts								
Option bought	Option Premium Paid * Lot Size * Number of Contracts								
8	Derivatives transactions shall be disclosed in the half-yearly portfolio/annual report of the schemes in line with requirements under SEBI Regulations.								

#### **Investments in Scheme by AMC, Sponsor & Affiliates**

The AMC and investment companies managed by the Sponsor(s), their affiliates, their associate companies and subsidiaries may invest either directly or indirectly in the Schemes. The AMC shall not charge any fees on investment made by it in the units of the Schemes in accordance with sub-regulation 3 of Regulation 24 of the Regulations and shall charge fees on such amounts in future only if the SEBI Regulations so permit. The affiliates, associates, the Sponsor, subsidiaries of the Sponsor and/or the AMC may

acquire a substantial portion of the Scheme's units and collectively constitute a major investment in the Schemes. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time and in accordance with SEBI Circular No. SEBI/IMD/ CIR No.10/22701/03 dated December 12, 2003 regarding minimum number of investors in the Scheme.

#### **J. HOW HAS THE SCHEME PERFORMED?**

This Scheme is a new scheme and does not have any performance track record.



### III UNITS AND OFFER

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

#### A. NEW FUND OFFER (NFO)

<b>New Fund Offer Period</b> <b>This is the period during which a new scheme sells its units to the investors</b>	NFO for Mirae Asset Prudence Fund: Opens on July 08, 2015 Closes on July 22, 2015 The Trustee may close subscription list earlier by giving at least one day's notice in one daily national newspaper. The Trustee reserves the right to extend the closing date of the NFO Period, subject to the condition that the entire NFO period including the extension, shall not be kept open for more than 15 days. Any such extension shall be announced by way of a notice - cum - addendum as prescribed by the SEBI regulation. Mutual Fund/AMC shall use the NFO proceeds only on or after the closure of the NFO period.
<b>New Fund Offer Price</b> <b>This is the price per unit that the investors have to pay to invest during the NFO</b>	Offer for units of Rs. 10/- each.
<b>Minimum Amount for Application in the NFO</b>	Investors can invest under the Scheme with a minimum investment of Rs.5,000/- and in multiples of Re. 1/- thereafter.
<b>Minimum Target Amount</b> <b>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return within 5 business days from the closure of NFO. However, if AMC fails to refund the amount 5 business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the subscription period.</b>	The Scheme seeks to collect a minimum subscription amount of Rs. 10 Crores under the Scheme during the NFO Period.
<b>Maximum Amount to be raised (if any)</b>	There is no upper limit on the total amount to be collected under the Scheme during the NFO Period.
<b>Plans/Options offered</b>	Mirae Asset Prudence Fund shall have Regular Plan and Direct Plan and offers two options viz., Growth and Dividend under both the Plans. The Dividend Option shall have 2 sub options: (a) Dividend Payout (b) Dividend Reinvestment. <b>Growth Option:</b> The returns from investments are generated through capital appreciation of units' price and no dividend will be declared. <b>Dividend Option:</b> Under this option, a dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the Regulations). <b>Dividend Payout sub-option:</b> The dividend declared by the Fund shall be paid to the investors who appears in the Unitholders/Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, under the Dividend Payout Option of the plan, as on the record date. <b>Dividend Re-Investment sub-option:</b> The Dividend declared by the fund shall be reinvested in the Plan and accordingly the units shall be issued to the investor at the NAV prevailing at the date of declaration of dividend. There shall, however, be no Entry Load and Exit Load on the dividend so reinvested. On payment of dividend, the NAV of the units under Dividend option will fall to the extent of the dividend payout and applicable statutory levies, if any. It must be distinctly understood that the actual declaration of dividend and frequency thereof is at the sole discretion of Board of Directors of the Trustee Company. The default option for the unitholders will be Regular Plan - Growth Option if the application is through a distributor and Direct Plan - Growth option if the application is a direct application and not through a distributor. Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form i.e. "Mirae Asset Prudence Fund - Direct Plan". Investors should also indicate "Direct" in the ARN

	<p>column of the application form. However, in case Distributor code is mentioned in the application form, but “Direct Plan” is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan. Further, where application is received for Existing Plan without Distributor code or “Direct” mentioned in the ARN Column, the application will be processed under Direct Plan. Treatment for investors based on the applications received is given in the table below:</p> <table><tr><th>Scenario</th><th>Broker Code mentioned by the investor</th><th>Plan mentioned by the investor</th><th>Default Plan to be captured</th></tr><tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr><tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr><tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr><tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr><tr><td>5</td><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr><tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr><tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr><tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr></table> <p>In cases of wrong/invalid/incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</p> <p>The AMC reserves the right to introduce a new option/investment Plan at a later date, subject to the SEBI (MF) Regulations. The AMC also reserves the right to discontinue/withdraw any option/investment plan, if deemed fit, after taking approval of the Board of Directors of AMC and Trustee.</p>	Scenario	Broker 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
Scenario	Broker 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																																		
Dividend Policy	<p>A dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the Regulations). Such dividends if declared will be paid under normal circumstances, only to those Unit holders who have opted for Dividend Option - Payout. There is no assurance or guarantee to unit holders as to the rate of dividend distribution nor will that dividend be regularly paid. If the Fund declares a dividend under the Scheme, AMC shall dispatch the dividend warrants within 30 days from the date of declaration of the dividend. In case the delay is beyond 30 days, then the AMC shall pay interest @ 15% p.a. from the expiry of 30 days till the date of dispatch of the warrant.</p>																																				
Allotment	<p>Subject to the receipt of the specified minimum subscription amount, full allotment of Units applied for will be made within 5 business days from the date of closure of the NFO Period for all valid applications received during the NFO Period.</p> <p>An account statement will be sent by ordinary post/courier/secured encrypted electronic mail to each Unit Holder, stating the number of Units purchased, not later than 5 business days from the close of the NFO Period.</p> <p>In case of specific request received from investors, Mutual Fund shall provide the account statement to the investors within 5 working days from the receipt of such request without any charges.</p> <p>Allotment of Units and dispatch of Account Statements to FPIs will be subject to RBI approval, if required.</p> <p>For investors who have given demat account details in the application form, the Units issued by the AMC shall be credited by the Registrar to the investors' beneficiary account with the DP as per information provided in the application form and information of allotment will be accordingly sent by the Registrar.</p>																																				
Pledge of Units for Loans	<p>The Units can be pledged by the Unitholders as security for raising loans subject to the conditions of the lending institution. The Registrar will take note of such pledge (by marking a lien etc.)/charge in its records. Disbursement of such loans will be at the entire discretion of the lending institution and the fund assumes no responsibility thereof.</p> <p>The pledger will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorization to the fund that the pledge/lien charge may be removed. As long as Units are pledged, the pledgee will have complete authority to redeem such Units. Decision of the AMC shall be</p>																																				

	<p>final in all cases of lien marking. In case of Units held in electronic form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of the Units of the Scheme. Units held in electronic form can be pledged by completing the requisite forms/formalities as may be required by the Depository.</p>
<b>Refund</b>	<p>If the Schemes fail to collect the minimum subscription amount of Rs. 10 Crores, the Mutual Fund shall be liable to refund the money to the applicants.</p> <p>If application is rejected, full amount will be refunded within 5 business days from the closure of NFO. If refunded later than 5 business days, interest @ 15% p.a. for delayed period will be paid and charged to the AMC.</p>
<b>Who can Invest</b> <b>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.</b>	<ul style="list-style-type: none"> <li>• Indian resident adult individuals, either singly or jointly (not exceeding three);</li> <li>• Minor through parent/lawful guardian; (please see the note below)</li> <li>• Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;</li> <li>• Partnership Firms constituted under the Partnership Act, 1932;</li> <li>• Limited Liability Partnerships (LLP);</li> <li>• A Hindu Undivided Family (HUF) through its Karta;</li> <li>• Banking Company as defined under the Banking Regulation Act, 1949;</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>• Public Financial Institution as defined under the Companies Act, 1956;</li> <li>• Insurance Company registered with the Insurance Regulatory and Development Authority (IRDA);</li> <li>• Non-Resident Indians (NRIs)/Persons of Indian Origin (PIO) on full repatriation basis or on non-repatriation basis;</li> <li>• Foreign Portfolio Investors (FPI) registered with SEBI on repatriation basis;</li> <li>• Army, Air Force, Navy and other para-military funds and eligible institutions;</li> <li>• Scientific and Industrial Research Organizations;</li> <li>• Provident/Pension/Gratuity and such other Funds as and when permitted to invest;</li> <li>• International Multilateral Agencies approved by the Government of India/RBI; and</li> <li>• The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws).</li> <li>• A Mutual Fund through its schemes if permitted by the regulatory authorities</li> <li>• Special Purpose Vehicles (SPVs) approved by appropriate authority (subject to RBI approval)</li> <li>• Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorized to invest in mutual fund schemes under their trust deeds;</li> <li>• Qualified Foreign Investors subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time on repatriation basis.</li> <li>• Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations/RBI, etc.</li> <li>• Existing Investors of any Schemes of Mirae Asset Mutual Fund through Transaction Requisition Slip or Common Application Form by mentioning their Folio Number.</li> </ul> <p><b>Note: 1.</b></p> <p>Minor Unit Holder on becoming major may inform the Registrar about attaining majority and provide his specimen signature duly authenticated by his banker as well as his details of bank account and a certified true copy of the PAN card as mentioned under the paragraph "Anti Money Laundering and Know Your Customer" to enable the Registrar to update their records and allow him to operate the Account in his own right.</p> <p><b>Note 2. Applicants under Power of Attorney:</b></p> <p>An applicant willing to transact through a power of attorney must lodge the photocopy of the Power of Attorney (PoA) attested by a Notary Public or the original PoA (which will be returned after verification) within 30 Days of submitting the Application Form/Transaction Slip at a Designated Collection Centre. Applications are liable to be rejected if the power of attorney is not submitted within the aforesaid period.</p>

<b>Who cannot Invest</b>	<p>It should be noted that the <b>following entities cannot invest in the scheme:</b></p> <ul style="list-style-type: none"> <li>Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FPI. However, there is no restriction on a foreign national from acquiring Indian securities provided such foreign national meets the residency tests as laid down by Foreign Exchange Management Act, 1999.</li> <li>Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the Scheme. These would be firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs.)</li> <li>Non-Resident Indians residing in the Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs)</li> <li>The Fund reserves the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.</li> <li>“U.S. Person” under the U.S. Securities Act of 1933 and corporations or other entities organized under the laws of U.S.</li> <li>Residents of Canada or any Canadian jurisdiction under the applicable securities laws.</li> </ul> <p>Subject to the Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Scheme's Unit capital is not in the general interest of the Unit Holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unit Holders to accept such an application.</p> <p>The AMC/Trustee may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable law, which may result in delay in processing the application.</p>
<b>Bank mandate registration</b>	<p>It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar/AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.</p>
<b>Where can you submit the filled up applications.</b>	<p><b>Registrar &amp; Transfer Agent:</b>  <b>Karvy Computershare Private Limited</b>  Registered Office:  Karvy Selenium, Tower B, Plot Number 31 &amp; 32,  Financial District, Gachibowli, Hyderabad - 500 034.  Contact Persons:  Mr. V. Srinivas Rao  Tel No. : 040 33215237  Email Id :v.srinivas@karvy.com  Mr. Ramkumar  Tel No. : 040 44677157  Email Id :ramkumar@karvy.com  Website address: <a href="http://www.karvymfs.com">www.karvymfs.com</a></p> <p>Applications can be submitted at collecting bankers and Investor Service Centers of Mirae Asset Global Investments (India) Pvt. Ltd. and Karvy Computershare Private Limited. Details of which are furnished on back cover page of this document.</p>
<b>How to apply?</b>	<p>Please refer to the SAI and application form for the instructions.</p> <p>Investors intending to trade in Units of the Schemes, through the exchange platform will be required to provide demat account details in the application form.</p>
<b>Additional mode of payment through Applications Supported by Blocked Amount (“ASBA”) during the New Fund offer (NFO) period</b>	<p>Investors are requested to note that SEBI vide its circular dated March 15, 2010 has extended ASBA facility (w.e.f. July 1, 2010), to the New Fund Offers (NFOs) of Mutual Fund Schemes.</p>



	Thus, investors apart from the current process of accepting payment through cheques/demand also have the ASBA facility as additional mode of payment. The banks which are in SEBI's list shall extend the same facility in case of this NFO of Mirae Asset Prudence Fund to all eligible investors.
<b>Special Products/facilities available during the NFO</b>	<p><b>Switching:</b></p> <p>During the NFO period (switch request from Existing Investors of the schemes of MAMF will be accepted upto 3.00 p.m. of the last day of the NFO), by switching part or all of their Unit holdings held in the existing schemes of the Mutual Fund, which has to be for an Minimum Purchase Value of Rs.5000/- and in multiples of Re. 1/- for above Rs.5000/-.</p> <p>A switch has the effect of redemption from one scheme/plan/option and a purchase in the other scheme/plan/option to which the switching has been done and accordingly the exit load shall be applicable, if any.</p> <p>The price at which the units will be switched-out will be based on the redemption price of the scheme from which switch-out is done and the proceeds will be invested into the scheme at the NFO Price.</p> <p>A switch request must be compulsorily made by specifying the amount in multiples of Re. 1/-. Also, where the switch request has been made specifying the number of Units, the request will be processed for a round value nearest to the hundred rupee and the fractional value will be refunded. In case of ambiguity, the request will not be processed. Any Switch where the resultant value is less than the Minimum Purchase Value of Rs.5000/- will be rejected.</p> <p><b>(ii) Transaction through electronic mode</b> The AMC may from time to time offer various facilities to the unit holders through electronic mode such as internet, mobile phones, Kiosk, etc. to facilitate transactions in units of the scheme. The AMC may enter into such arrangements/agreements as it may deem fit to give effect to the above.</p> <p>However, investors intending to take benefit of these facilities should note that they should use these services at their own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of internet, mobile phones, Kiosk, etc. or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorized access or use of information.</p> <p><b>Applications Supported by Blocked Amount ("ASBA")</b></p> <p>ASBA facility will be provided to the investors subscribing to NFO of the Scheme. It shall co-exist with the existing process, wherein cheques/demand drafts are used as a mode of payment. Please refer ASBA application form for detailed instructions</p>
<b>The Policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</b>	Not Applicable.
<b>Restrictions, if any, on the right to freely retain or dispose of units being offered.</b>	<p>The Units of the Scheme are not transferable except for Units held in dematerialized form. In view of the same, additions/deletions of names will not be allowed under any folio of the Scheme. However, the said provisions will not be applicable in case a person (i.e. a transferee) becomes a holder of the Units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such satisfactory evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units of the Scheme.</p> <p>The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer. The delivery instructions for transfer of Units will have to be lodged with the DP in the requisite form as may be required from time to time and transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form.</p>

	<p><b>SUSPENSION OF SALE/REDEMPTION OF THE UNITS</b></p> <p>The Sale/Redemption of the Units may be temporarily suspended, on the stock exchange(s) on which the Units of the scheme are Listed, under the following conditions:</p> <ul style="list-style-type: none"> <li>• During the period of Book Closure.</li> <li>• During the period from the date of issue of the notice for fixing the record date for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) records for the purpose of redemption of Units on Maturity/Final Redemption date.</li> <li>• In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s).</li> <li>• If so directed by SEBI.</li> <li>• The above list is not exhaustive and may also include other factors.</li> </ul>
<b>Cash Investments</b>	<p>Pursuant to SEBI circular dated September 13, 2012 and SEBI Circular dated May 22, 2014, it is permitted to accept cash transactions to the extent of Rs. 50,000/- subject to compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under and the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines. Provided that the limit shall be applicable per investor for investments done in a financial year across all schemes of the Mutual Fund, subject to sufficient systems and procedures in place for such acceptance. However any form of repayment either by way of redemption, dividend, etc. with respect to such cash investment shall be paid only through banking channel.</p> <p>The Asset Management Company is in process of implementing adequate systems and controls to accept Cash Investment in the Scheme. Information in this regard will be provided to Investors as and when the facility is made available.</p>
<b>FATCA Norms (Foreign Account Tax Compliance Act)</b>	<p>The Foreign Account Tax Compliance Act is a United States ("US") law aimed at prevention of tax evasion by US citizen and residents ("US Persons") as defined under the U.S. Securities Act of 1933 and corporations or other entities organized under the laws of US, through use of the offshore accounts. The FATCA provisions were included in the Hiring Incentive to Restore Employment (HIRE) Act of 2010, enacted by the US legislature. FATCA is designed to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments.</p> <p>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") to implement FATCA and India is now treated as having an IGA in effect from April 11, 2014. FATCA provides for Foreign Financial Institutions to register with the US Internal Revenue Service ("IRS"), to obtain Global Intermediary Identification Number (GIIN). The Fund is classified as a 'Foreign Financial Institution' (Investment Entity) under the FATCA provisions.</p> <p>FATCA is globally applicable from July 1, 2014 and in order to comply with FATCA obligations, the Fund may seek additional information from investors while accepting applications, in order to ascertain their U.S. Person status. The Fund will not accept applications which are not accompanied with information/documentation under FATCA. Investors are therefore requested to ensure that the details required in the Form "<b>Details Under Foreign Account Tax Compliance Act (FATCA)</b>" of the Application Form are complete and accurate to avoid rejection of the application (updated forms are available on Fund's website – <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>).</p> <p>FATCA due diligence will have to be directed at each investor/Unit holder (including joint investor) and on being identified as a reportable person/specified US person, all the folios will be reported. Further, in case of folio with joint investors, the entire account value of investment portfolio will be attributable under each such reportable person.</p> <p>An investor/Unit holder will therefore be required to furnish such information for the AMC/Fund to comply with the reporting requirements stated in IGA and circulars issued by SEBI/AMFI in this regard.</p> <p>Investors/Unitholders should consult their own tax advisors regarding FATCA requirements with respect to their own situation.</p>

## B. ONGOING OFFER DETAILS

<b>Ongoing Offer Period (This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period)</b>	Not later than five business days from the date of allotment.
<b>Ongoing price for subscription (Purchase Price)* (This is the price you need to pay for purchase/switch-in)</b>	At the applicable NAV.
<b>Ongoing price for redemption (sale)/switch outs (to other schemes/plans of the Mutual Fund) by investors. (This is the price you will receive for redemptions/switch outs.)</b>	At the applicable NAV subject to prevailing exit load, if any.
<b>Cut off timing for subscription/redemption/switch out (This is the time before which your redemption request (complete in all respects) should reach the official points of acceptance)</b>	<p>The Cut-off time for the Scheme is 3 p.m., and the Applicable NAV will be as under:</p> <ul style="list-style-type: none"> <li>In respect of valid Purchase applications (along with cheques/drafts/other payment instruments) accepted at a Designated Collection Centre up to 3 p.m. on a Business Day, the closing NAV of that day will be applicable.</li> <li>In respect of valid Purchase applications (along with cheques/drafts/other payment instruments) accepted at a Designated Collection Centre after 3 p.m. on a Business Day, the NAV of the next Business Day will be applicable.</li> </ul> <p>The above will be applicable only for cheques/drafts/payment instruments payable locally in the city in which ISC is located. No outstation cheques/post dated cheques/non MICR cheques will be accepted.</p>
<b>Where can the applications for Purchase/redemption switches be submitted?</b>	Corporate office/Branches/Investor Service Centres of Mirae Asset Global Investments (India) Pvt. Ltd. and Investor Service Centres of M/s Karvy Computershare Pvt. Ltd. and any other official point of acceptance as declared by the AMC, from time to time.
<b>Minimum amount for purchase/redemption/switches</b>	<p><b>Purchase :</b> Rs. 5000/- and in multiples of Re. 1/- thereafter</p> <p><b>Additional Purchase:</b> Rs.1000/- and in multiples of Re.1/- thereafter</p> <p><b>Redemption:</b> The minimum redemption amount shall be 'any amount' or 'any number of units' as requested by the investor at the time of redemption request.</p>
<b>Special Products available:</b>	

### (i) Systematic Investment Plan :

This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to "invest as you earn" and affords the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. SIP Facility is available only under the Regular Plan and Direct Plan of the Scheme and can be availed monthly/quarterly on the following dates: 1st, 10th, 15th, 21st and 28th. A minimum period of 25 - 30 days shall be required for registration under SIP. Investors can avail this facility through ECS (Debit Clearing) of the Reserve Bank of India (RBI) in select cities OR via Direct Debit in select banks/branches only. The minimum amount of each cheque/payment instruction shall be Rs.1000/- in case of Monthly Option and Rs.1500/- in case of Quarterly Option. All the cheques/payment instructions (including the first cheque/payment instruction) shall be of equal amounts. Non MICR/Outstation cheques will not be accepted. MICR Code starting and/or ending with "000" are not valid for ECS. The aggregate of such cheques/payment instructions shall not be less than Rs.6,000/- inclusive of the first installment. There is no upper limit for the Purchase for a single cheque/payment instruction or in aggregate. Please note that SIP will be started subject to the realization of the first registration cheque. The AMC reserves the right to reject any application inter alia in the absence of fulfillment of any regulatory requirements, fulfillment of any requirements as per the SID, incomplete/incorrect documentation and furnishing necessary information to the satisfaction of the Mutual Fund/AMC.

The first SIP will be debited from the Month of September 2015.

The conditions for investing in SIP during the Ongoing Offer Period are as under:

- Investors can enroll themselves for SIP by submitting the enrolment form along with the relevant documents including post-dated cheques/auto debit instructions along with the first cheque to start SIP and a cancelled cheque or a copy of cheque in case of Electronic Clearing System (ECS) or Instructions for Direct Debit as the case may be at any of our ISC's. In case of Post Dated Cheques the date of the first cheque shall be dated on or before the date of submission of the application form while the remaining cheques (minimum 5 in case of Monthly or 3 in case of Quarterly option) shall be post-dated cheques (dated uniformly either the 1st, 10th, 15th 21st or 28th of a month or quarter).

The first installment of the SIP will be processed subject to applicable NAV & load, if any, on the date of submission on any Business Day. The second installment in case of monthly SIP will be processed on the available SIP dates (currently 1st, 10th, 15th, 21st or 28th of every month) indicated by the investor, after a gap of 25 to 30 calendar days from the date of processing of the first SIP.

- If the choice of date for the second installment is not indicated by the investor, the second installment of SIP will be by default processed on the 10th of the month. In case of quarterly SIP, the default date for next installment will be 10th of the relevant month. If any of above dates falls on a holiday/non-business day, the transaction will be taken as of the next Business Day. At the time of registration of SIP, if the 'default' end date is not mentioned by the investor, it will be registered for a default period upto 31st December 2099". The SIP installments shall continue until 31st December, 2099 unless the investor instructs Mirae Asset Mutual Fund to discontinue the SIP. The above change will be applicable for such SIPs which are registered on or after 1st October, 2013. If there is an ambiguity in the enrolment period of the SIP, the second installment of SIP will be by default processed for the SIP date chosen (10th of the month if not specified) for a default period of 12 months.
- An extension of an existing SIP will be treated as a new SIP on the date of such application, and all the above conditions need to be met with. The load structure prevailing at the time of submission of the SIP application (whether fresh or extension) will apply for all the installments indicated in such application.
- Termination of SIP - For discontinuation of SIP the unit holder/investor should intimate the AMC/ISC at least 15 working days prior to the due date of next cheque/installment (1st, 10th, 15th, 21st or 28th of every month/quarter). On such request, SIP will be terminated and the balance post-dated cheques will be returned to the investor or the debit instruction given by the investor under ECS or Direct Debit will be cancelled.
- In case of cancellation of a SIP or cheques returned un-cleared for SIP installments or payment instructions not honored, the AMC may reduce the number of Units allotted against the previous installments. As part of the process, units are automatically allotted as per the SIP date(s) (1st, 10th, 15th, 21st and 28th) and the credit is then checked for the units such allotted; post the status report received for ECS debits to the SIP investor account. Where the credit has not been received or the transaction is a failure transaction, the units so allotted will be reversed/reduced for that particular transaction.
- Any Unit Holder can avail of this facility subject to certain terms and conditions detailed in the Application Form.

#### **(ii) Systematic Withdrawal Plan:**

This facility enables the Unit Holders to withdraw sums from their Unit accounts in the Scheme at periodic intervals through a one-time request. The withdrawals will commence from the Start Date mentioned by the Unit Holder in the Application Form for the facility. A minimum period of 7 days shall be required for registration under SWP. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. However, if any of the dates on which the redemption is sought is a non-Business Day, the Units will be redeemed at the Applicable NAV of the next Business Day.

##### **○ Options available:**

**Fixed Withdrawal:** Investors can withdraw fixed amount of Rs.1,000/- each and above at regular intervals. Investors can withdraw fixed amount on 1st or 10th or 15th or 21st or 28th of each month/quarter for minimum 12 months/4 quarters. By default, in case of any ambiguity in selection of withdrawal frequency, the SWP date will be 10th of each month

- In case of Fixed Withdrawal, if the amount of installment is more than the amount available in that account for redemption, the entire available amount will be redeemed and the SWP will terminate automatically.

**Appreciation withdrawal:** Investors can withdraw appreciation of Rs.1,000/- and above at regular intervals. If the appreciation amount is less than Rs. 1,000/- or the specified amount, there will be no SWP in that month/quarter. The cumulative appreciation of this period and the immediately succeeding period shall be paid out subject to it being a minimum of Rs.1,000/- or the specified amount.

- In case of Appreciation Withdrawal, appreciation will be calculated on the units available for redemption at the time of the SWP installment. Investors can withdraw appreciation on the 1st of each month/quarter for minimum of 12 months/4 quarters.
- SWP is not available for investments under lock-in period and for investments which are pledged.
- The SWP payouts will be processed at the requested frequency. The investor can opt for direct credit of the redemption proceeds to their bank accounts. AMC/MF will endeavor to credit the payout directly to that bank account through available electronic mode(s) (ECS/Direct Credit). The AMC/MF shall not be responsible if payout through electronic mode(s) (ECS/ Direct Credit) does not get affected due to incomplete or incorrect information or any other technical/operational reasons. The AMC/MF reserve the right to use any other mode of payment as deemed appropriate, however the preferred mode will always be NEFT/RTGS.

For applicable load on Redemptions through SWP, please refer section 'LOAD STRUCTURE'.

#### **(iii) Systematic Transfer Plan (STP)**

This facility enables Unit Holders to transfer fixed sums from their Unit accounts in the Scheme to the existing schemes or other schemes launched by the Fund from time to time. The transfer will commence from the date mentioned by the Unit Holder in the Application Form for the facility. A minimum period of 7 days shall be required for registration under STP. The Units will be allotted/redeemed at the Applicable NAV of the respective dates of the Scheme on which such transfers are sought from the Scheme. In case the day on which the transfer is sought is a non-Business Day for the Scheme, then the application for the facility will be deemed to have been received on the immediately following Business Day. The facility of STP will not be available from any existing equity/equity oriented schemes to a non-equity scheme of the Fund.

Options Available and Minimum Amount:

- Daily Option
- Weekly Option
- Fortnightly Option
- Monthly Option: Minimum 6 transfers of Rs.1,000/- each and above.



- Quarterly Option: Minimum 4 transfers of Rs.1,500/- each and above.
- Minimum clear balance in the Scheme at the time of enrollment for STP facility should be Rs.6,000/-.
- STP is not available for investments under lock-in period and for investments which are pledged.
- In case of insufficient balance, the transfer will not be affected.

**Transfer Dates:**

- Daily Option : Monday to Friday,
- Weekly Option - Every Wednesday,
- Fortnightly Option - Every Wednesday of the alternate week.
- Monthly STP: Transfers can be on 1st or 10th or 15th or 21st or 28th of each month for a minimum of 6 months.
- Quarterly STP: Transfers can be on 1st or 10th or 15th or 21st or 28th of each quarter for a minimum of 4 quarters.
- Default Dates: In case of any ambiguity in selection of transfer date, the STP date will be 10th of each month/quarter.

**Methodology:**

At the LAST installment, the system will check for the Available Market Value in the Transferor Scheme with "STP Amount": If "Available Market Value in the Transferor Scheme" is more than "2 x STP Amount", then only STP amount will be transferred and the balance amount will remain in the Transferor Scheme.

If "Available Market Value in the Transferor Scheme" is less than "2 x STP Amount", the entire Available Market Value in the Transferor Scheme will be switched out and the STP for the particular investor will be ceased.

Example: If an investor does a 6 month STP for Rs.6,000/- (Rs.1,000/- per STP) then,

1. If at the time of last STP, the Available Market Value in the Transferor Scheme is less than Rs.2,000/- the full amount in Transferor Scheme will be transferred.
2. If at the time of last STP, the Available Market Value in the Transferor Scheme is greater than Rs.2,000/- only STP Amount of Rs.1,000 will be transferred.

**(iv) Interscheme Switching**

The Transaction Slip can be used by investors to make inter-scheme switches (during the NFO Period and the ongoing offer period) within the Fund. All valid applications for switch-out shall be treated as Redemption and for switch-in as Purchases with the respective Applicable NAVs of the Scheme/option.

**(v) Intrascheme Switching**

Investors can switch between different options under the same Plan of the Scheme, at the Applicable NAV. All valid applications for switch-out shall be treated as Redemption and for switch-in as Purchases with the respective Applicable NAVs of the option. As per current Load structure, no Entry or Exit Loads will be charged for intra-scheme switching. However, AMC may change the Loads prospectively as indicated in section on LOAD STRUCTURE FOR THE SCHEME in this SID.

**(vi) Folio Number**

Unless otherwise requested by the Unit Holder, a single folio number may be assigned if an investor invests in different schemes of the Fund, and a consolidated account statement will then be provided for investments in all the schemes.

**(vii) Fractional Units**

Since a request for Purchase or Redemption is generally made in rupee amounts and not in terms of a fixed number of Units of the Scheme, an investor may be left with fractional Units. Fractional Units will be computed and accounted for up to three decimal places for the Scheme. Investors are requested to note that if the unit balance after redemption of units in a folio is less than or equal to 25 units and is identified at the time of processing such request, the AMC reserves the right to redeem such fractional units along with the redemption request received. However, there may be certain cases where such balance units in certain folios may not be redeemed at the time of processing of redemption request made by the investor(s), in such cases, as part of the review process, the Trustees authorize the AMC to suo-moto redeem such fractional balance units, on periodic basis.

**(viii) Consolidation of folios**

In case an investor holds investments in multiple folios under the Fund, the AMC reserves the right to consolidate all the folios belonging to the same investor into one folio.

**(ix) Transaction through electronic mode**

The AMC may from time to time offer various facilities to the unit holders through electronic mode such as internet, mobile phones, Kiosk, etc. to facilitate transactions in units of the scheme. The AMC may enter into such arrangements/agreements as it may deem fit to give effect to the above.

However, investors intending to take benefit of these facilities should note that they should use these services at their own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of internet, mobile phones, Kiosk, etc. or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorized access or use of information.

**(x) Mirae Asset VTP (Variable Transfer Plan):**

Mirae Asset VTP is a facility wherein unit holder(s) of designated open-ended Scheme(s) of Mirae Asset Mutual Fund can opt to transfer variable amount(s) linked to value of investments under VTP on the date of transfer at per-determined intervals from designated open-ended Scheme(s) of Mirae Asset Mutual Fund (Transferor Scheme) to the designated open-ended Scheme(s) of Mirae Asset Mutual Fund (Transferee Scheme).

**Schemes eligible for VTP facility:**

**Source Schemes:** Mirae Asset Ultra Short Term Bond Fund (MAUSTBF), Mirae Asset Short Term Bond Fund (MASTBF), Mirae Asset Cash Management Fund (MACMF).

**Target Scheme:** Mirae Asset Prudence Fund.

VTP offers transfer facility at daily, weekly, fortnightly, monthly and quarterly intervals. Unit holder is free to choose the frequency of such transfers.

Frequency of VTP	VTP Dates	Minimum Amount	Min. no. of VTP required
Daily	Monday to Friday	Rs. 1000/-	6
Weekly	Every Wednesday	Rs. 1000/-	6
Fortnightly	Every Alternate Wednesday	Rs. 1000/-	6
Monthly	1 <sup>st</sup> , 10 <sup>th</sup> , 15 <sup>th</sup> , 21 <sup>st</sup> and 28 <sup>th</sup>	Rs. 1000/-	6
Quarterly	1 <sup>st</sup> , 10 <sup>th</sup> , 15 <sup>th</sup> , 21 <sup>st</sup> and 28 <sup>th</sup>	Rs. 1500/-	4

**Following are the features of Variable Transfer Plan (VTP):**

- Under the Variable Transfer Plan, unit holders will be eligible to transfer:

Fixed Amount per installment OR the amount as determined by the following formula:-

[(Fixed amount to be transferred per installment X number of installments including the current installment) - market value of the investments through Variable Transfer Plan in the Target Scheme on the date of transfer] whichever is higher, on the date of transfer.

- The first VTP installment will be processed basis the fixed installment amount specified by the unit holder at the time of enrollment. From the second VTP installment onwards, the transfer amount shall be computed as per formula stated above.
- The minimum unit holder's account balance or a minimum amount of application at the time of Variable Transfer Plan enrollment in the Source Scheme should be Rs.25,000/-.
- In case of VTP - Daily, Weekly and Fortnightly Interval, the commencement date shall be within 7 business days from the date of receipt of a valid request.
- For Daily, Weekly, Monthly, Fortnightly or Quarterly VTP falling on a Friday or on any business day where the next day is a non-business day, the NAV applicable shall be the Transaction date i.e. before 3.00 p.m. for both source and the target scheme.
- In order to discontinue the facility, a written request must be submitted at least 7 business days prior to the next applicable transfer date for Daily/Weekly/Fortnightly/Monthly/Quarterly frequency.
- The new facility introduced under the scheme will have the same investment objective, portfolio, liquidity and expense ratio as that of the prevailing plans of the respective schemes.

**Example of Calculation of Installment of Variable Transfer Plan:**

Source Scheme: Mirae Asset Ultra Short Term Bond Fund

Target Scheme: Mirae Asset Prudence Fund

Suppose an investor chose a monthly VTP option from Mirae Asset Ultra Short Term Bond Fund to Mirae Asset Prudence Fund of amount Rs.5000/- and he has already transferred three installments upto date August 1, 2015.

Total units allotted upto the date of last installment i.e. August 1, 2015 is assumed as 1400. The NAV of Mirae Asset Prudence Fund - Growth Option on September 2015 is assumed as Rs.9.50 - per unit.

So the market value of investment on the date of transfer is 13,300 (1400 x 9.5). The next installment as per the VTP will be calculated as per the following formulae: Higher of the following, Fixed Amount to be transferred per installment (Rs.5,000/-) OR [(Fixed Amount to be transferred per installment \* Number of Installment including current installment) - Market Value of Target Scheme] = (Rs.5000\*4) - 13,300 = Rs.6,700/-. So Rs.6,700/- will be transferred under the VTP.

**Know Your Customer (KYC):**

The need to "Know Your Customer" is vital for the prevention of money laundering. 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 programme, verify and maintain the record of identity and address(es) of investors.

**Revision in Know Your Customer (KYC) Procedure w.e.f. January 1, 2012:**

KYC registration is being centralised through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other

intermediaries by the KRA. CVL (CDSL Ventures Ltd.), who was retained by the mutual funds for centralised registration and record keeping of KYC records, has obtained SEBI registration as a KRA.

**1. Requirement for the existing investors in mutual funds:**

The existing investors in mutual funds who have already complied with the KYC requirement and have the KYC compliance letter issued to them by CDSL Ventures Limited are exempt from following the new KYC procedure effective January 01, 2012 but only for the purpose of making additional investment with any SEBI registered mutual fund.

If, however, the KYC compliant investors would like to deal with any SEBI registered intermediary other than mutual funds, they may have to follow the new KYC compliance procedure. AMFI committee has provided a KYC update form covering the additional information as per the new uniform KYC norms and IPV for specific use by investors, who had complied with mutual fund KYC with CVL prior to 31st December, 2011. The KYC update form is uploaded on the website of the mutual fund.

**2. Requirement for the new investors in mutual funds:**

With effect from January 01, 2012, all investors other than KYC compliant investors as mentioned above are required to follow the new KYC compliance procedure as mentioned below while making any investments with the Fund:

- Fill up and sign the Common KYC application form [available on the Fund's web site i.e. [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in) (for individual investors or non-individual investors as appropriate) and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds.
- At the time of transacting with the Fund, submit, **in person**, the completed KYC application form along with all the necessary documents as mentioned in the KYC application form with any of the offices of the distributors (qualified as per the following note), Registrar & Transfer Agent of the Fund or the Fund; and
- Obtain a temporary acknowledgement for submission of all the documents and completion of IPV;

**Note:** As per the SEBI circular MIRSD/Cir-26/2011 dated December 23, 2011, it is mandatory for SEBI registered intermediaries to carry out "In-Person Verification" ("IPV") of any investor dealing with a SEBI registered intermediary. The Mutual Fund may also undertake enhanced KYC measures & due diligence based on the internal client due diligence policy to commensurate with the risk profile of the investors.

Once all the documents are verified by a KRA, they will send the investor a letter within 10 working days from the date of receipt of necessary documents by them from the Fund or its Registrar and Transfer Agent informing the investor either about compliance by the investor of the new KYC compliance procedure ("**final acknowledgement**") or any deficiency in submission of details or documents.

On the basis of the temporary acknowledgement or the final acknowledgement the investor need not undergo the same process again with another intermediary including mutual funds. However, Mirae Asset Mutual Fund reserves the right to carry out fresh KYC of the investor.

New KYC form can be submitted by an investor along with an investment application (purchase/additional purchase/switch/SIP mandate form/STP mandate form) and not on a standalone basis. However, an investor who has investments in any mutual fund and is not KYC compliant may submit new uniform KYC form to the mutual fund by quoting the folios number.

**Micro Applications:** In accordance with AMFI circular dated June 30, 2009 and final AMFI Guidelines received on July 14, 2009 and SEBI letter to AMFI dated July 24, 2012, investments in Mutual Fund (including SIP investment where the aggregate of SIP installments in a rolling 12 months period or in a financial year i.e. April to March) of upto Rs.50,000/- per investor per year shall be exempt from the requirement of PAN. However, eligible Investors (including joint holders) should comply with the KYC requirement through registered KRA by submitting Photo Identification documents as proof of identification and the Proof of Address [self-attested by the investor/attested by the ARN Holder/AMFI distributor]. These exempted investors will have to quote the "PERN (PAN exempt KYC Ref No) in the application form. This exemption of PAN

	<p>will be applicable only to investments by individuals (including NRIs but not PIOs), joint holders, Minors and Sole proprietary firms. PIOs, HUFs and other categories of investors will not be eligible for this exemption.</p> <p>Thus, submission of PAN is mandatory for all other investors existing as well as prospective investors (except the ones mentioned above) (including all joint applicants/holders, guardians in case of minors, POA holders and NRIs but except for the categories mentioned above) for investing with mutual funds from this date. Investors are required to register their PAN with the Mutual Fund by providing the PAN card copy (along with the original for verification which will be returned across the counter). All investments without PAN (for all holders, including Guardians and POA holders) are liable to be rejected.</p> <p>Application Forms without quoting of PERN shall be considered incomplete and are liable to be rejected without any reference to the investors. The procedure implemented by the AMC and the decisions taken by the AMC in this regard shall be deemed final.</p> <p>However, new investors will also have to fill up the new KYC form along with the IPV requirements. Mutual Funds shall accept any of other standard specified identification instruments like Voter ID card, Government/Defense ID card, Card of Reputed employer, Driving License, Passport, etc in lieu of PAN with effect from August 1, 2009.</p> <p>In view of the above, Investors are requested to enclose copies of any of the said document(s) which shall be self-attested and also attested by the ARN Holder. Investors with PAN are not eligible for simplified KYC Procedure.</p> <p>In accordance with AMFI circular dated June 30, 2009, on exemption of PAN for Systematic Investment Plans (SIP) up to Rs.50,000/- per year per investor, with effect from August 1, 2009 the following transactions will not be covered as they are currently not considered either for PAN or KYC requirement:</p> <ul style="list-style-type: none"> <li>• Redemption</li> <li>• Switch</li> <li>• Systematic Transfer Plans</li> <li>• Systematic Withdrawal Plans</li> <li>• Dividend Reinvestments/Sweep transactions</li> </ul> <p>This exemption will be applicable ONLY to investments by individuals (including NRIs but not PIOs), Minors and Sole proprietary firms. HUFs and other categories will not be eligible for Micro Applications. The exemption is applicable to joint holders also.</p> <p><b>KYC procedure:</b></p> <ul style="list-style-type: none"> <li>• New investors will also have to fill up the new KYC form along with the IPV requirements.</li> <li>• Investors (including joint holders) will submit a photocopy of any one of the documents identified above along with Micro SIP applications.</li> <li>• Supporting document must be current and valid.</li> <li>• Supporting document copy shall be self-attested by the investor.</li> <li>• While making subsequent Micro applications with a mutual fund, investor can quote the existing folio number where a Micro application has been registered and therefore need not resubmit the supporting document.</li> <li>• Existing forms may be modified to provide for additional columns for (1) marking the application as 'Micro Application' (2) providing the date of birth and (3) listing the type of the supporting document and identification number (if any).</li> <li>• RTA will capture the details as part of the investor registration.</li> </ul> <p>Any one of the following PHOTO IDENTIFICATION documents can be submitted along with Micro SIP applications as proof of identification in lieu of PAN.</p> <ul style="list-style-type: none"> <li>• Voter Identity Card</li> <li>• Driving License</li> <li>• Government/Defense identification card</li> <li>• Passport</li> <li>• Photo Ration Card</li> <li>• Photo Debit Card (Credit card not included because it may not be backed up by a bank account).</li> </ul>
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	<ul style="list-style-type: none"> <li>• Employee ID cards issued by companies registered with Registrar of Companies (database available in the following link of Ministry of Company affairs <a href="http://www.mca.gov.in/DCAPortalWeb/dca/MyMCALogin.do?method=setDefaultProperty&amp;mpde=31">http://www.mca.gov.in/DCAPortalWeb/dca/MyMCALogin.do?method=setDefaultProperty&amp;mpde=31</a>)</li> <li>• Photo Identification issued by Bank Managers of Scheduled Commercial Banks/Gazetted Officer/Elected Representatives to the Legislative Assembly/Parliament</li> <li>• ID card issued to employees of Scheduled Commercial/State/District Co-operative Banks.</li> <li>• Senior Citizen/Freedom Fighter ID card issued by Government.</li> <li>• Cards issued by Universities/deemed Universities or institutes under statutes like ICAI, ICWA, ICSI.</li> <li>• Permanent Retirement Account No (PRAN) card issued to New Pension System (NPS) subscribers by CRA (NSDL).</li> <li>• Any other photo ID card issued by Central Government/State Governments/Municipal authorities/Government organizations like ESIC/EPFO.</li> </ul> <p>The said procedure shall be implemented by all mutual funds latest by August 1, 2009.</p> <p>The AMC shall implement the uniform KYC procedure for Micro Application as per AMFI circular 35P/MEM-COR/4/09-10 dated July 14, 2009 with the following additional requirement. In addition to the photo identification documents referred above, the AMC shall take a copy of the proof of address which is self-attested and attested by the ARN holder.</p> <p>In order to protect investors from frauds, it is advised that the Application Form number/folio number and name of the first investor should be written overleaf the cheque/draft, before they are handed over to any courier/messenger/distributor/ISC.</p> <p>In order to protect investors from fraudulent encashment of cheques, the Regulations require that cheques for Redemption of Units specify the name of the Unit Holder and the bank name and account number where payments are to be credited. Hence, all applicants for Purchase of Units must provide a bank name, bank account number, branch address, and account type in the Application Form.</p> <p>Refer FATCA (Foreign Account Tax Compliance Act) Norms on page 47 for more details on compliance with FATCA.</p>
<b>Accounts Statements</b>	<p>For normal transactions (Other than SIP/STP) during ongoing sales and repurchase:</p> <ul style="list-style-type: none"> <li>• The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement specifying the number of units allotted will be sent by ordinary post/courier/secured encrypted electronic mail to each Unit Holder, stating the number of Units purchased, generally within 3 Business days, but not later than 5 working days from date of acceptance of the valid Application Form/Transaction Slip.</li> <li>• For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail.</li> <li>• The unit holder may request for a physical account statement by writing/calling the AMC/ISC/R&amp;T. Investors can enquire about NAVs, Unit Holdings, Valuation, Dividends, Account statements, etc or lodge any service request by calling the investor line of the AMC at "1800 2090 777". The Investor can call on the Toll Free number anytime between 9.00 am to 5.30 pm from Monday to Friday except for Public Holidays. Investors can also visit the website at <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>, for complete details. In order to protect confidentiality of information, the service representatives may require personal information of the investor for verification of his/her identity. The AMC will at all times endeavor to handle transactions efficiently and to resolve any investor grievances promptly.</li> </ul> <p><b>For SIP/STP transactions :</b></p> <ul style="list-style-type: none"> <li>• Account Statement for SIP and STP will be dispatched once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter.</li> <li>• A soft copy of the Account Statement shall be mailed to the investors under SIP/STP to their e-mail address on a monthly basis, if so mandated.</li> </ul>

	<ul style="list-style-type: none"> <li>• However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer.</li> <li>• In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP) to the investors within 5 working days from the receipt of which request without any charges.</li> </ul> <p><b>Annual Account Statement :</b></p> <ul style="list-style-type: none"> <li>• The Mutual Funds shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the units prior to the date of generation of the account statement.</li> <li>• The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statements, if so mandated.</li> <li>• The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN/KYC details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN and the investors are KYC compliant.</li> </ul> <p><b>Units held in electronic form</b></p> <p>Where units are held by investor in electronic form, the demat statement issued by the Depository Participant will be deemed adequate compliance with the requirements in respect of dispatch of statements of account.</p>
<b>Dividend</b>	<p>The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.</p> <p>In case of Unit Holder having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the dividend proceeds shall be directly credited to their account.</p> <p>The dividend will be paid by warrant and payments will be made in favor 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).</p> <p>Further, the dividend proceeds may be paid by way of ECS/EFT/NEFT/RTGS/ any other manner through which the investor's bank account specified in the Registrar &amp; Transfer Agent's records is credited with the dividend proceeds as per the instructions of the Unit holders.</p> <p>In case the delay is beyond 30 days, then the AMC shall pay interest @ 15% p.a. from the expiry of 30 days till the date of dispatch of the warrant.</p>
<b>Redemption</b>	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.</p> <p><b>Non-Resident Investors</b></p> <p>For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows:</p> <p><b>(i) Repatriation basis</b></p> <p>When Units have been purchased through remittance in foreign exchange from abroad or by cheque/draft issued from proceeds of the Unit Holder's FCNR deposit or from funds held in the Unit Holder's Non Resident (External) account kept in India, the proceeds can also be sent to his Indian address for crediting to his NRE/FCNR/nonresident (Ordinary) account, if desired by the Unit Holder.</p> <p><b>(ii) Non-Repatriation basis</b></p> <p>When Units have been purchased from funds held in the Unit Holder's non-resident (Ordinary) account, the proceeds will be sent to the Unit Holder's Indian address for crediting to the Unit Holder's non-resident (Ordinary) account.</p> <p>For FPIs, the designated branch of the authorized dealer may allow remittance of net sale/maturity proceeds (after payment of taxes) or credit the amount to the Foreign Currency account or Non-resident Rupee account of the FPI maintained in accordance with the approval granted to it by the RBI. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/FPIs. The Fund may make other arrangements for effecting payment of redemption proceeds in future.</p>

	<p>The normal processing time may not be applicable in situations where necessary details are not provided by investors/Unit holders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and/or any delay/loss in transit.</p> <p><b>Unclaimed Redemptions and Dividends</b></p> <p>As per circular No.MFD/CIR/9/120/2000, dated November 24, 2000 issued by SEBI, the unclaimed Redemption and dividend amounts shall be deployed by the Fund in money market instruments only. The unclaimed Redemption and dividend amounts shall be deployed in money market instruments and such other instruments/securities as may be permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders.</p> <p>Important Note: All applicants must provide a bank name, bank account number, branch address, and account type in the Application Form.</p>
<b>Listing</b>	<p>The Schemes being open ended, the Units are not proposed to be listed on any stock exchange and no transfer facility is provided.</p>
<b>Facility for purchasing of the units of the Scheme through the order routing platform of the Stock Exchanges</b>	<p>The Mutual Fund may enter into an agreement with any stock exchange(s), as specified from time to time, for allowing transactions in the Scheme through the Stock Exchange Mutual Fund Platform. Accordingly, trading member of the stock exchange(s), as specified from time to time, can facilitate investors to subscribe and redeem the mutual fund units using their existing network and order collection mechanism provided by the Stock Exchange(s).</p> <p>The investors can subscribe and redeem the units of Mirae Asset Prudence Fund on BSE StAR MF Platform of Bombay Stock Exchange Ltd. (BSE) in all the plans &amp; options.</p> <p>The following are the salient features of this new facility, if introduced, for the benefit of investors:</p> <ol style="list-style-type: none"> <li>1. This facility i.e. purchase/redemption of units will be available to both existing and new investors. Switching of units will not be permitted.</li> <li>2. The investors will be eligible to only purchase/redeem units of the aforesaid schemes. The list of eligible schemes is subject to change from time to time.</li> <li>3. All trading members of the Stock Exchange(s) who are registered with AMFI as Mutual Fund Advisors and who have signed up with AMC and also registered with the Stock Exchange(s) as Participants ("AMFI certified stock exchange brokers") will be eligible to offer this facility to investors.</li> <li>4. It is an electronic platform introduced by the Stock Exchange(s) for transacting in units of mutual funds. The units of eligible Schemes are not listed on the exchange and the same cannot be traded on the Stock Exchange. The window for purchase/redemption of units on the Stock Exchange will be available between 9 a.m. and 3 p.m. or such other timings as may be decided.</li> <li>5. Investors who are interested in transacting in eligible schemes of Mirae Asset Mutual Fund should register themselves with AMFI certified stock exchange brokers. The AMC may enter into a similar agreement with any other stock exchange for providing the same facility as laid down herein. The AMC may notify the investors about the same, from time to time.</li> <li>6. The eligible AMFI certified stock exchange brokers will be considered as Official Points of Acceptance (OPA) of Mirae Asset Mutual Fund.</li> <li>7. Investors have an option to hold the units in physical or dematerialized form.</li> <li>8. Investors will be able to purchase/redeem units in eligible schemes in the following manner:</li> </ol> <p><b>Purchase or Redemption of Units :</b></p> <ol style="list-style-type: none"> <li>a. <b>Physical Form</b> : The investor who chooses the physical mode is required to submit all requisite documents along with the purchase/redemption application (subject to applicable limits prescribed by the Stock Exchange(s), as specified from time to time) to the AMFI certified stock exchange brokers. In case of</li> </ol>

purchase, the AMFI certified stock exchange broker shall verify the application for mandatory details and KYC compliance. After completion of the verification, the purchase/redemption order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor. For purchase, the investor will transfer the funds to the AMFI certified stock exchange brokers. Allotment details will be provided by the AMFI certified stock exchange brokers to the investor. For redemption, the redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with Mirae Asset Mutual Fund.

- b. Dematerialized Form:** The investors who intend to deal in depository mode are required to have a demat account with CDSL/NSDL and for redemption units should be converted from physical mode to demat mode prior to placing of redemption order. The investor who chooses the depository mode is required to place an order for purchase/redemption of units (subject to applicable limits prescribed by stock exchange(s) as specified from time to time) with the AMFI certified stock exchange broker(s). For purchase, the investor should provide their depository account details to the AMFI certified stock exchange brokers. For redemption, the investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account. The purchase/redemption order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor. For purchase, the investor will transfer the funds to the AMFI certified stock exchange brokers. In case of purchase, allotment details will be provided by the AMFI certified stock exchange brokers to the investor. In case of redemption, the redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant.
9. Applications for purchase/redemption of units which are incomplete/invalid are liable to be rejected.
  10. Separate folios will be allotted for units held in physical and demat mode. In case of non-financial requests/applications like change of address, investors should approach Investor Service Centers (ISCs) of Mirae Asset Mutual Fund/CDSL Ventures Ltd. For request/applications like change of bank details etc. investor should approach Investor Service Centers (ISCs) of Mirae Asset Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode.
  11. An account statement will be issued by Mirae Asset Mutual Fund to investors who purchase/redeem their units under this facility in physical mode. In case of investors who intend to deal in units in depository mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account which would be adequate compliance of the requirements in respect of the dispatch of the statement of accounts.
  12. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). Currently, the cut-off time is 3.00 p.m. for these Schemes.
  13. In case units are desired to be held by investors in dematerialized form, the KYC performed by the Depository Participant(s) shall be considered as compliance with SEBI Circular ISD/AML/CIR-1/2008 dated December 19, 2008.
  14. Investors will have to comply with Know Your Customer (KYC) norms as prescribed by the Stock Exchange(s)/CDSL/NSDL (or any other stock exchange as specified from time to time) and Mirae Asset Mutual Fund to participate in this facility.
  15. Investments can be made through SIP (Systematic Investment Plan) on the BSE Stock Exchange Platform for allotment and repurchase of Mutual Fund (BSE StAR MF Platform) of Bombay Stock Exchange Ltd. (BSE) in all the plans & options.
  16. Investors should get in touch with Investor Service Centres (ISCs) of Mirae Asset Mutual Fund, for further details.

The transactions carried out on the Stock Exchange Platform shall be subject to such guidelines as may be issued by the Stock Exchange(s) SEBI (Mutual Funds) Regulations, 1996 and circulars/guidelines issued there under from time to time or by any other stock exchange as specified from time to time.



<b>Option to subscribe/hold Units in dematerialized (demat) form</b>	<p>Pursuant to SEBI Circular No. CIR/IMD/DF/9/2011 dated May 19, 2011, an option to subscribe in dematerialized (demat) form the units of Plan(s) (i.e., the Regular Plan or the Direct Plan) under the Scheme is provided to the investors effective October 1, 2011.</p> <p>Consequently, the Unit holders under the Plans (i.e., the Regular Plan or the Direct Plan) of the Scheme shall have an option to subscribe/old the Units in demat form in accordance with the provisions laid under the respective Plan(s) (i.e., the Regular Plan or the Direct Plan) of the Scheme and in terms of the guidelines/procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. If the demat account details are found to be invalid, the investor shall continue to hold the units in physical form.</p> <p>In case, 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 non-demat form into Demat (electronic) form or vice-versa should be submitted along with a Demat/Remat Request Form to their Depository Participants.</p> <p>The option to subscribe/hold units in demat option is available for SIP transactions. However, the units shall be allotted based on the applicable NAV as per the SID and shall be credited to investors demat account on weekly basis upon realization of funds. For e.g. Units will be credited to investors demat account every Monday for realization status received in last week from Monday to Friday.</p> <p>Investors may kindly note that, no statement of account will be generated by the Registrar &amp; Transfer Agent ('Karvy') and all those folios for which demat conversion request is received will be blocked for generation of statement of account. Investors may kindly note that if folio number is provided along with additional subscription (against demat folio), the same will be treated as new transaction and fresh folio will be created.</p> <p>The DPs shall send the unit balances/confirmations to the investors. The Investors have to approach his/her DP for all change request updates/holding statements. The R&amp;T of the Mutual Fund shall not accept any requests for change from the investors. Investors shall also note that partial allotment/ conversion of units to Demat within the scheme shall not be permitted.</p> <p>Units held in demat form will be transferable subject to the provisions laid under the respective Plan(s) (i.e., the Regular Plan or the Direct Plan) of the Scheme and in accordance with 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.</p>
<b>Third Party payments</b>	<p>Mirae Asset Mutual Fund has decided to restrict the acceptance of Third Party Payments with effect from November 15, 2010 (Effective Date) in accordance with AMFI guidelines. Accordingly third party payment instruments for subscriptions/investments shall not be accepted by the AMC except in the following cases:</p> <ol style="list-style-type: none"> <li>Payment by Parents/Grand-Parents/Related Persons* on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000 for each regular purchase or per SIP installment; however this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.</li> <li>Payment by employer on behalf of employee under Systematic Investment Plan (SIP) facility or lump sum/one-time subscription through payroll deductions.</li> <li>Custodian on behalf of an FPI or a Client.</li> </ol> <p>* 'Related Person' means any person investing on behalf of a minor in consideration of natural love and affection or as a gift.</p> <p>In cases a payment is covered under above exceptions, the following additional documents are also required to be mandatorily provided together with the Application Form:-</p> <ol style="list-style-type: none"> <li>Mandatory KYC Acknowledgment letter for all investors (guardian in case of minor) and the person making the payment i.e. third party.</li> <li>Submission of a separate, duly filed and valid 'Third Party Payment Declaration Form' from the investors (guardian in case of minor) and the person making the payment i.e. third party. The said form shall be available on the AMC Website/at Investor Service Centres.</li> </ol>

	<p>Investors transacting through BSE StAR MF Platform under the electronic order collection system will have to comply with norms/rules as prescribed by Stock Exchange(s).</p> <p>In case the application for subscription is not in accordance with the above provisions, the AMC reserves the right to reject the application.</p> <p>For further details, investors are requested to kindly refer to the Statement of Additional Information (SAI) of Mirae Asset Mutual Fund.</p> <p><b>Safe Mode for Writing/Drawing Cheques :</b> In order to prevent fraudulent practices, it is recommended that the subscription payment instruments such as cheque/demand draft/pay order be drawn in the favour of scheme account followed by the name of the sole or 1st joint holder/his PAN/folio number.</p> <p>For e.g. "ABC Scheme A/c Permanent Account Number" or "ABC Scheme A/c First Investor Name" or "ABC Scheme A/c. Folio Number".</p>
<b>Registration of multiple bank accounts</b>	<p>In compliance with AMFI Best Practice Guidelines Circular No. 17/10-11 dated October 22, 2010, Mirae Asset Mutual Fund (Fund) offers its unitholders, a facility to register more than one bank account with the Fund to receive redemption/dividend proceeds. The unitholder may choose to receive the redemption/dividend proceeds in any of the bank accounts, the details of which are registered under the said facility by specifying the necessary details in the "Bank Account Registration form" which will be available at our Investor Service Centers/Registrar and Transfer Agents offices and on the website of the Fund. Individuals, HUFs, Sole proprietor firms can register upto five bank accounts and non-individual investor can register upto ten bank accounts in a folio. Any more bank accounts (over and above the maximum as specified herein) even if mentioned or provided, will not be registered unless accompanied by deletion request to delete any existing registered bank account(s).</p> <p>"Investor/s or/Unit Holder/s are requested to note that any one of the following documents of the bank account mentioned in the application form along with Multiple Bank Account Registration Form, shall be submitted by the investor/s, in case the cheque provided along with fresh subscription/new folio creation does not belong to the bank mandate specified in the application form:</p> <ul style="list-style-type: none"> <li>• Original cancelled cheque having the First Holder Name printed on the cheque [or]</li> <li>• Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application [or]</li> <li>• Photocopy of the bank statement/bank pass book duly attested by the bank manager and bank seal preferably with designation and employee number [or]</li> <li>• Photocopy of the bank statement/passbook/cancelled cheque copy duly attested by the AMC/Karvy Computershare Private Limited, Registrar of the Fund ('RTA') branch officials after verification of original bank statement/passbook/cheque shown by the investor or their representative [or]</li> <li>• Confirmation by the bank manager with seal, on the bank's letter head with name, designation and employee number confirming the investor details and bank mandate information.</li> </ul> <p>Mutual Fund will try and remit Redemption/Dividend payment (if any) directly to the last registered/default bank account of the unit holders. While, the Mutual Fund, reserves the right to issue a Cheque/DD to any bank account, in case of ambiguity where Multiple Bank accounts are registered, the Mutual Fund, will arrange to credit the proceeds to the default bank account. However, if the remittance is delayed or not affected for reasons of incomplete or incorrect information, Mutual Fund shall not be held liable for the same.</p> <p>For the purpose of registration of bank account(s), investor should submit Bank Mandate Registration Form together with Cancelled cheque leaf in respect of bank account to be registered or if the bank account number on the cheque leaf is handwritten or the name is not printed on the face of the cheque, a copy of the bank statement/pass book page with the Investors bank account number, name and address shall be provided.</p> <p>The unitholder can choose any one of the registered bank accounts as default bank account. However, in case a unitholder does not specify the default bank account, the fund reserves the right to designate any one of the registered bank accounts as a default bank account. Unitholder may also note that a third party payment is not used for mutual fund subscription. If unit holder(s) provide a new and unregistered bank mandate or a change of bank mandate request with specific redemption/dividend payment request (with or without necessary</p>

	<p>supporting documents) such bank account may not be considered for payment or redemption/dividend proceeds, or the fund may withheld the payment for upto 10 calendar days to ensure validation of new bank mandate mentioned. The Fund/Registrar and Transfer Agent (RTA) shall adopt the same process of verification for above registration as is applicable for a registration/change in bank mandate.</p>
<p><b>Consolidated Account Statement (CAS) in terms of SEBI Circular No.CIR/MRD/DP/31/2014 dated November 12, 2014</b></p>	<p><b>I. Investors who do not hold Demat Account</b></p> <p>CAS<sup>^</sup>, based on PAN of the holders, shall be sent by Mirae Asset Global Investments (India) Pvt. Limited ("the AMC")/Karvy Computershare Private Limited (Registrar and Transfer Agent "RTA") to investors not holding demat account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month.</p> <p><sup>^</sup>CAS sent by AMC/RTA is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month.</p> <p><b>II. Investors who hold Demat Account</b></p> <p>CAS<sup>^^</sup>, based on PAN of the holders, shall be sent by Depositories to investors holding demat account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month.</p> <p>In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depositories shall send account statement every half yearly (September/March), on or before 10th day of succeeding month.</p> <p><sup>^^</sup>CAS sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and transaction in dematerialised securities across demat accounts of the investors and holding at the end of the month.</p> <p>CAS shall be sent by Depositories every half yearly (September/March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios/demat accounts there have been no transactions during that period.</p> <p>Following provisions shall be applicable to CAS sent through AMC/RTA and CAS sent through depositories:</p> <ol style="list-style-type: none"> <li>1. Investors are requested to note that for folios which are not included in the CAS, AMC shall henceforth issue monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be sent on or before tenth day of succeeding month. Such statements shall be sent in physical form if no email id is provided in the folio.</li> <li>2. The statement sent within the time frame mentioned above is provisional and is subject to realisation of payment instrument and/or verification of documents, including the application form, by the RTA/AMC.</li> <li>3. In the event the folio/demat account has more than one registered holder, the first named Unit holder/Account holder shall receive the CAS (AMC/RTA or Depository). For the purpose of CAS (AMC/RTA or Depository), common investors across mutual funds/depositories shall be identified on the basis of PAN. Consolidation shall be based on the common sequence/ order of investors in various folios/demat accounts across mutual funds/ demat accounts across depository participants.</li> <li>4. Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS.</li> <li>5. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN.</li> <li>6. For Unit Holders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail.</li> </ol>

	<p>7. The Unit Holder may request for a physical account statement by writing to/calling the AMC/RTA. In case of a specific request received from the unit holders, the AMC/RTA shall provide the account statement to the unit holders within 5 business days from the receipt of such request.</p> <p>8. Account Statements shall not be construed as proof of title and are only computer printed statements indicating the details of transactions under the Schemes during the current financial year and giving the closing balance of Units for the information of the Unit Holder.</p> <p>9. Units held in the form of Account Statement are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to SEBI (MF) Regulations issued from time to time.</p> <p>10. In case an investor has multiple accounts across two Depositories, the depository with whom the account has been opened earlier will be the default Depository.</p> <p>11. If an investor does not wish to receive CAS, an option shall be given to the investor to indicate negative consent. Depositories shall accordingly inform investors in their statements about the facility of CAS and give them information on how to opt out of the facility if they do not wish to avail it.</p>
<b>eCAS Communication</b>	<p>Pursuant to sub regulation (1), (2) and (4) of Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI gazette notification dated August 30, 2011, SEBI Circular No. Cir/IMD/DF/16/2011 dated September 8, 2011 and addendum No.AD/8/2011 dated 30th September, 2011 issued by the AMC, investors are requested to note the following regarding dispatch of account statements with effect from 1st July, 2012:</p> <p>a. The Consolidated Account Statement (CAS) for each calendar month is to be issued on or before tenth day of succeeding month to the investors who are KYC complied and have provided valid Permanent Account Number (PAN). Due to this regulatory change, the AMC shall now cease to send physical account statement to the investors after every financial transaction including systematic transactions. Further, CAS will be sent via email where valid email id is registered or to the email id of the first unit holder as per KYC records.</p> <p>b. For folios not included in the Consolidated Account Statement (CAS), the AMC shall henceforth issue account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before tenth day of succeeding month by way of an email to the registered email address and if the same is not available with the AMC, a physical statement will be sent.</p> <p>c. In case of a New Fund Offer Period (NFO), the AMC shall send confirmation specifying the number of units allotted to the applicant by way of a physical account statement or an email and/or SMS's to the investor's registered address and/or mobile number not later than five business days from the date of closure of the NFO.</p> <p>d. In case of a specific request received from the unit holder, the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.</p>
<b>Recommendations made by National Institute of Securities Market (NISM) on mutual fund services processes &amp; AMFI vide its Best Practice Circular Guidelines dated February 9, 2011, regarding implementation of standardized guidelines in respect of the following cases w.e.f. April 1, 2011</b>	<p><b>I. Investments made on behalf of Minors:</b></p> <p><b>1. "On behalf of Minor" Accounts:</b></p> <p>The Asset Management Company (AMC)/Registrar and Transfer Agent (RTA) shall follow the below mentioned guidelines in respect of the same:</p> <p>a. The minor shall be the first and the sole holder in the folio. No joint holder will be allowed in a folio where the minor is the first or sole holder.</p> <p>b. Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.</p> <p>c. The AMC/RTA shall obtain photo copy of Birth Certificate or School Leaving Certificate or Higher Secondary Board marksheet or Passport or any other suitable proof of the date of birth of the minor, in case of natural guardian and supporting documentary evidence in case of court appointed legal guardian.</p> <p><b>2. Minor Attaining Majority - Status Change:</b></p> <p>The AMC/RTA shall follow the below mentioned guidelines in respect of the same:</p> <p>a. Prior to minor attaining majority, AMC/RTA shall send an advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents to change the status to "Major".</p>



- b. Till such time the said application form along with the requisite documents from the 'Major' are received by the AMC/RTA, the guardian will not be able to undertake any financial and non-financial transactions including fresh registration of SIP/STP/SWP after the date of the minor attaining majority. However, the AMC/RTA shall continue to process the existing standing instructions like SIP/STP/SWP registered prior to the minor attaining majority till the time an instruction from the 'Major' to terminate the existing standing instruction is received by the mutual fund.
- c. The AMC would send communication through email and mobile alerts if email ids and mobile numbers are available to the investor for intimating the processes as laid out in point (a) & (b) above.
- d. In case the documents pertaining to change in status are not received by the date when the minor attains majority, the account shall be frozen (i.e. for redemptions & switchouts, etc) for operation by the guardian.

### **3. Change in Guardian:**

The AMC/RTA shall register change in guardian either due to mutual consent or demise of existing guardian, subject to submission of various documents, including Bank attestation attesting the signature of the new guardian in a bank account of the minor and KYC Acknowledgment letter of the new guardian. The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian. Investors are requested to refer the NISM recommendations & AMFI Best Practice circular dated February 9, 2011 uploaded on our website [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in), for the list of documents required in respect of change in guardian.

## **II. Nomination Facility:**

The AMC/RTA shall follow the below mentioned guidelines in respect of the same:

- a. Nomination shall be mandatory for new folios/accounts opened with sole/single holding. Investors who do not wish to nominate must sign separately/indicate on the Application Form confirming their non-intention to nominate.
- b. Nomination shall be applicable for investments in all the Schemes in the folio or account.
- c. Nomination should be maintained at the folio or account level and should be applicable for investments in all schemes in the folio or account.
- d. All joint holders shall sign nomination/cancellation of nomination form, irrespective of the mode of holding.
- e. Nomination form cannot be signed by Power of attorney (POA) holders and every new nomination shall overwrite the existing nomination in the folio/account.
- f. Nomination shall not be allowed in a folio/account held on behalf of a minor.

## **III. Transmission Facility:**

- a. Investors/Unitholders are requested to refer the "Transmission Documents Matrix - Ready Reckoner" mentioned under Download section of our website [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in), for ready reference of the various documents required under different scenarios of Transmission as mentioned below:
  - To surviving unitholders in case of death of one or more unitholders;
  - To registered nominee(s) in case of death of sole or all unitholders;
  - To claimant(s) where nominee is not registered in case of death of sole or all unitholders;
  - Transmission in case of HUF due to death of Karta.
- b. A copy of PAN or another proof of identity of nominee(s)/claimant(s) may not be required if KYC issued by CVL is made available.
- c. In the event of transmission of units in favour of the minor, various documents like KYC, PAN, Bank details, indemnity etc should be of the guardian of the minor.

	<p>d. The Fund/AMC/RTA may seek additional documents, if the amount of transmission is Rs. One Lakh and above, on a case to case basis. Investors/Unitholders are requested to refer the Matrix, referred in point (a) above.</p> <p>The Fund/AMC/RTA may seek additional documents, apart from those mentioned in each of the above cases. Investors are requested to refer National Institute of Securities Market (NISM) guidelines on select mutual fund services processes &amp; AMFI vide its Best Practice Circular Guidelines dated February 9, 2011, on our website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>, for the list of prescribed documents required in respect of abovementioned cases and any other clarifications on the same.</p>
<b>Process for Change in Bank Mandate and Change in Address</b>	<p>Investors are requested to note that Mirae Asset Mutual Fund shall adopt the following process for Change/Update of Bank Mandate/Change of Address.</p> <p><b>A. Process for Change in Bank Mandate</b></p> <ol style="list-style-type: none"> <li>Investors must submit duly filled "Multiple Bank Account Registration Form or Change of Bank Mandate form" at any of the official point of acceptance of transaction of Mirae Asset Mutual Fund.</li> <li>The investors must submit in original any one of the following documents of the new bank account: <ol style="list-style-type: none"> <li>Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the cheque.</li> <li>Self-attested copy of bank statement.</li> <li>Bank passbook with current entries not older than 3 months.</li> <li>Bank Letter duly signed by branch manager/authorized personnel.</li> </ol> </li> <li>If photocopies of the above stated documents are submitted, investor must produce the original for verification at the official point of acceptance of transaction. The original shall be returned to the investor over the counter upon verification. Kindly note that if the originals are not produced for verification, then the photocopies submitted should be attested in original by the Branch Manager or Authorised personnel of the Bank.</li> <li>There shall be a cooling period of 10 calendar days for validation and registration of new bank account. In case of receipt of redemption request during this cooling period, the validation of new Bank mandate and dispatch of redemption proceeds shall be completed within 10 working days to the new bank account; however, the AMC reserves the right to process the redemption request in the old bank mandate, if the credentials of the new bank mandate cannot be authenticated.</li> <li>In case, the request for change in bank mandate is invalid/incomplete/ dissatisfactory in respect of signature mismatch/document insufficiency/ not complying with any requirement as stated above, the request for such change will not be processed and redemption/Dividend proceeds, if any, will be processed in the last registered Bank account.</li> </ol> <p><b>B. Process for Change in Address</b></p> <ol style="list-style-type: none"> <li>Investors must submit duly filled "Change of Address form" along with any one of the following documents at any of the official point of acceptance of transaction of Mirae Asset Mutual Fund. <ol style="list-style-type: none"> <li><b>KYC Not Complied Folios/Clients:</b> <ul style="list-style-type: none"> <li>Proof of new Address, and</li> <li>Proof of Identity (POI): Only PAN card copy if PAN is updated in the folio, or PAN/other proof of identity if PAN is not updated in the folio.</li> </ul> </li> <li><b>KYC Complied Folios/Clients</b> <ul style="list-style-type: none"> <li>Proof of new Address (POA),</li> <li>Any other document/form that the KRA may specify from time to time.</li> </ul> </li> </ol> </li> </ol>

	<p>2. Investors are requested to note that if photocopies of the above stated documents are submitted, it must be produced along with the original for verification at the official point of acceptance of transaction. The original shall be returned to the investor over the counter upon verification. Kindly note if the originals are not produced for verification, then the photocopies submitted should be properly attested/verified by the entities authorised for attesting/verification of the documents.</p> <p>3. Any request for Change in Bank Mandate/Change in Address must be submitted independently of any other transaction; however if so submitted, such request for change will not be considered for processing. The AMC reserves the right to collect proof of Old Bank details/Address on a case to case basis while effecting the change of Bank Mandate/Address.</p>
<b>Minimum balance to be maintained and consequences of non-maintenance.</b>	<p>(i) Investors are requested to note that if the unit balance after redemption of units in a folio is less than or equal to 25 units and is identified at the time of processing such request, the AMC reserves the right to redeem such fractional units along with the redemption request received. However, there may be certain cases where such balance units in certain folios may not be redeemed at the time of processing of redemption request made by the investor(s), in such cases, as part of the review process, the Trustees authorize the AMC to suo-moto redeem such fractional balance units, on periodic basis.</p> <p>(ii) In the case of STP: The only instance when minimum balance will be required is at the time of enrollment for STP facility. The minimum balance for enrolment of STP should be Rs.6,000/-.</p>
<b>Delay in payment of redemption proceeds</b>	The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
<b>Transfer, Transmission, Nomination, Lien, Pledge, Duration of the Scheme and Mode of Holding</b>	Please refer SAI for details.

### C. PERIODIC DISCLOSURES

<p><b>Net Asset Value</b></p> <p><b>This is the value per unit of the Plan under the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</b></p>	<p>NAVs will be disclosed at the close of each business day. Net Asset Value of the Units of the Scheme (including options there under) calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time.</p> <p>The NAV will be computed upto 3 decimal places.</p> <p>The Mutual Fund shall calculate NAV on daily basis and publish the same in at least two daily newspapers having circulation all over India.</p>
<p><b>Half yearly Disclosures : Portfolio/Financial Results</b></p> <p><b>This is list of securities where the corpus of the scheme is currently invested. The market value of these investments is also slated in portfolio disclosures</b></p>	<p>The AMC/Mutual Fund shall within one month from the close of each half year, that is on March 31st and on September 30th, host a soft copy of its unaudited financial results on their website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>. The half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule of the SEBI (Mutual Funds) Regulations, 1996 and such other details as are necessary for the purpose of providing a true and fair view of the operations of Mirae Asset Mutual Fund.</p> <p>The AMC/Mutual Fund shall publish an advertisement disclosing the hosting of unaudited financial results on their website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>The mutual fund shall publish a complete statement of the scheme portfolio within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located.</p>
<b>Annual Report</b>	An annual report of the Scheme or an abridged format thereof will be prepared as at the end of each financial year (March 31) and copies of the same will be mailed to all Unit Holders as soon as possible but not later than 4 months from the closure of the relevant financial year. If the report is mailed in a summary form, the full report will be available for inspection at the registered office of the Trustee and a copy thereof on request to the Unit Holders on payment of a nominal fee.

<b>Monthly Portfolio</b>	The AMC/Mutual Fund shall disclose portfolio (along with ISIN) as on the last day of the month for all their schemes on its website on <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> or before the tenth day of the succeeding month in a user-friendly format.		
<b>Monthly Average Asset under Management (Monthly AAUM) Disclosure</b>	The Mutual Fund shall disclose the Monthly AAUM under different categories Schemes as specified by SEBI in the prescribed format on a monthly basis on its website viz. <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> and forward to AMFI within 7 working days from the end of the month.		
<b>Associate Transactions</b>	Please refer to Statement of Additional Information (SAI).		
<b>Taxation</b> The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorized dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.		<b>Resident Investors</b>	<b>Mutual Funds</b>
	Equity Schemes		
	Tax on Dividend or dividend distribution tax	Nil	Nil
	Capital Gains		
	Long Term	Nil	Nil
	Short Term	15%	Nil
	Equity scheme will also attract securities transaction tax (STT) at applicable rates. For further details on taxation please refer to the clauses on Taxation in SAI.		
<b>Investor Services</b>	Mr. Girish Dhanani <b>Mirae Asset Global Investments (India) Pvt. Ltd.</b> 606, 6 <sup>th</sup> Floor, Windsor Bldg, Off CST Road, Kalina, Santacruz (E), Mumbai - 400 098. Telephone Nos.: 6780 0300/25 e-mail: <a href="mailto:customercare@miraeasset.com">customercare@miraeasset.com</a> <b>Investors are advised to contact any of the ISCs or the AMC by calling the investor line of the AMC at “1800 2090 777” to know the latest position on Entry/Exit Load structure prior to investing. Investors can also visit the website at <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>, for complete details.</b>		

## D COMPUTATION OF NAV

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

NAV of Units under the Options there under can be calculated as shown below:

$$\text{NAV} = \frac{\begin{array}{l} \text{(Market or Fair Value of Scheme's investments} \\ \text{+ Current assets including Accrued Income -} \\ \text{Current Liabilities and provisions including accrued} \\ \text{expenses)} \end{array}}{\text{No. of Units outstanding under the Scheme/Option.}}$$

The NAV and the sale and repurchase prices of the Units will be calculated and announced at the close of each working day. The NAVs of the Scheme will be computed and units will be allotted upto 3 decimals.

The NAV calculated as above and Sale/Repurchase rates of units will be published in two newspapers on a daily basis, by way of press release/advertisement.

Computation of NAV will be done after taking into account dividends paid, if any, and the distribution tax thereon, if applicable. Therefore, once dividends are distributed under the Dividend Option, the NAV of the Units under the Dividend Option would always remain lower than the NAV of the Units issued under the Growth Option. The income earned and the profits realized in respect of the Units issued under the Growth Option remain invested and are reflected in the NAV of the Units.

Due to difference in time zones of different markets, in case the closing prices of securities are not available within a given time frame to enable the AMC to upload the NAVs for a Valuation Day, the AMC may use the last available traded price for the purpose of valuation. The use of the closing price/last available traded price for the purpose of valuation will also be based on the practice followed in a particular market. In case any particular security is not traded on the Valuation Day, the same shall be valued on a fair value basis by the Valuation Committee of the AMC.

NAV's will be rounded off upto three decimal places, the valuation of the Schemes' assets and calculation of the Schemes' NAVs shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.



#### IV FEES AND EXPENSES

This section outlines the expenses that will be charged to the scheme.

##### A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sale and distribution fees paid, marketing and advertising, registrar expenses, printing and stationery, bank charges etc. NFO expenses shall be borne by the AMC.

##### B. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that upto 2.50% of the daily net assets of the Scheme will be charged to the scheme as expenses. As per the Regulations, the maximum recurring expenses including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of daily net assets as in the table below:

First Rs. 100 crores	Next Rs. 300 crores	Next Rs. 300 crores	Balance
2.50%	2.25%	2.00%	1.75%

The recurring expenses of operating the Scheme on an annual basis, which shall be charged to the Scheme, are estimated to be as follows (each as a percentage per annum of the daily net assets)

Particulars	% p.a. of daily net assets
Investment Management & Advisory Fee	Upto 2.50%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission**	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash market transactions and derivative transaction respectively	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses*	
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>	Upto 2.50%
Additional expenses under regulation 52 (6A) (c) Upto 0.20%	Upto 0.20%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

\* Other expenses: Any other expenses which are directly attributable to the Scheme, may be charged with approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.

\*\*Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid/charged under Direct Plan. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses/commission which is charged in the Regular Plan.

Fungibility of expenses: The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations are fungible in nature. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively. Further, the additional expenses under Regulation 52(6A)(c) may be incurred either towards investment & advisory fees and/or towards other expense heads as stated above. These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se or in total subject to prevailing Regulations. The AMC may incur actual expenses which may be more or less than those estimated above under any head. Type of expenses charged shall be as per the SEBI Regulations. The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the Regulations.

In addition to the limits as specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations 1996 ['SEBI Regulations'] or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the scheme namely:-

Additional expenses for gross new inflows from specified cities:

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

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

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

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

This sub clause (a) shall be applicable for inflows received during the NFO period.

**Additional expenses under regulation 52 (6A) (c)**

(b) additional expenses, incurred towards different heads mentioned under Regulations 52(2) and 52(4), not exceeding 0.20 per cent of daily net assets of the Scheme;

(c) service tax payable on investment and advisory service fees ('AMC fees') charged by Mirae Asset Global Investments (India) Private Limited ('Mirae Asset AMC');

Further, brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment shall not exceed 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

Within the Total Expense Limit chargeable to the Scheme, following will be charged to the Scheme:

(a) Service Tax on other than investment and advisory fees, if any, (including on brokerage and transaction costs on execution of trades) shall be borne by the Scheme;

(b) Investor education and awareness initiative fees of at least 2 basis points on daily net assets of respective Scheme.

Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC or the Sponsor.

The current expense ratios will be updated on the AMC website viz. [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in) within two working days mentioning the effective date of the change.

**TRANSACTION CHARGES:**

SEBI with the intent to enable investment by people with small saving potential and to increase reach of Mutual Fund products in urban areas and in smaller towns, wherein the role of the distributor is vital, has allowed AMCs vide its circular No. Cir/IMD/DF/13/2011 dated August 22, 2011 to deduct transaction charges for subscription of Rs. 10,000/- and above. The said transaction charges will be paid to the distributors of the Mutual Fund products (based on the type of product).

In accordance with the said circular, AMC/Mutual Fund will deduct the transaction charges from the subscription amount and pay to the distributors (based on the type of product and those who have opted to receive the transaction charges) as shown in the table below. Thereafter, the balance of the subscription amount shall be invested.

(i) Transaction charges shall be deducted for Applications for purchase/subscription received by distributor/agent as under:

Investor Type	Transaction Charges
<b>First Time Mutual Fund Investor</b>	Transaction charge of Rs. 150/- for subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested.
<b>Investor other than First Time Mutual Fund Investor</b>	Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the investor. The balance of the subscription amount shall be invested.

(ii) Transaction charges shall not be deducted for:

- Purchases/subscriptions for an amount less than Rs. 10,000/-; and
- Transactions other than purchases/subscriptions relating to new inflows such as Switches, etc.
- Any purchase/subscription made directly with the Fund (i.e. not through any distributor/agent).
- Transactions carried out through the stock exchange platforms (i.e. BSE StAR MF Platform).

**C LOAD STRUCTURE**

Load is an amount which is paid by the investor to subscribe to the units or to redeem from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time.

**Investors are advised to contact any of the ISCs or the AMC by calling the investor line of the AMC at "1800 2090 777" to know the current applicable load structure prior to investing. Investors can also visit the website at [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in), for complete details.**

During NFO Period & Ongoing Offer Period:

**Entry Load: Not Applicable:** In accordance with SEBI circular no. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) accepted by the Mutual Fund with effect from August, 1, 2009. The upfront commission shall be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.

#### **Exit load\* -**

- If redeemed within 6 months (182 days) from the date of allotment - 2.00%
- If redeemed after 6 months (182 days) but within 1 year (365 days) from the date of allotment - 1.00%
- If redeemed after 1 year (365 days) from the date of allotment - NIL

\*Mirae Asset Mutual Fund shall credit, exit load (net off service tax, if any, payable in respect of the same) to the Scheme of the Fund. As per SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, no load would be charged on Bonus units and of units allotted on reinvestment of Dividend.

The investor is requested to check the prevailing load structure of the scheme before investing. No exit load is chargeable in case of switches made between different options of schemes, subject to regulations, the Trustee retains the right to change/impose an Exit Load. A Switch-Out/Withdrawal under SWP will also attract an exit load like any redemption. Exit load is applicable for all the Plans (i.e. the Regular Plan & the Direct Plan) under the Scheme by applying First in First Out basis. No Exit Load is chargeable in case of switches made between different Sub-options of the same plan.

#### **Exit load/Contingent deferred sales charge ("CDSC")**

With effect from October 1, 2012, Mirae Asset Mutual Fund shall credit, exit load (net off service tax, if any, payable in respect of the same) to the Scheme of the Fund.

A Switch-Out/Withdrawal under SWP will also attract an exit load like any redemption. Exit load is applicable for the Scheme by applying First in First Out basis on the basis of investments made in the respective options of the scheme. No Exit Load is chargeable in case of switches made between different Sub-options of the same plan. To elaborate, units for redemption/SWP transactions are extinguished based on the first-in first-out methodology. The holding period for particular units is calculated from the date of its allotment. If the unit balance, so wish to be redeemed does not fulfill the minimum number of days (as per the exit load structure), appropriate number of balance such units will be charged an exit load. All such units which have completed the minimum number of days as per exit load structure will not be charged any exit load.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

The Mutual Fund may charge the load within the stipulated limit of 7% and without any discrimination to any specific group. The Repurchase Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Repurchase price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

All Loads are intended to enable the AMC to recover expenses incurred for promotion or distribution and sales of the Units of the Scheme. The Fund/AMC shall retain the load, in the Scheme in a separate account and use it to cover the cost of raising/redeeming units on a continuous basis by way of providing redemption/distribution related services to the Fund relating to the sale, promotion, advertising and marketing of the units of the Scheme and costs associated with liquidating the Fund's investment securities, including payments for postage and also payments to brokers for their services in connection with the redemption/distribution of the units. Surplus of load, if any, charged over planned marketing and distribution expenses will be credited to the scheme, whenever felt appropriate by the AMC.

The Trustee reserves the right to modify/alter the load structure and may decide to charge an exit load or introduce a differential load structure on the Units with prospective effect, subject to the maximum limits as prescribed under the SEBI Regulations. At the time of changing the load structure, the AMC shall take the following steps:

- A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all the Mirae Asset ISCs' and distributors' offices.
- The notice-cum-addendum detailing the changes shall be attached to SIDs and Key Information Memoranda. The addendum will be circulated to all the distributors so that the same can be attached to all SIDs and Key Information Memoranda already in stock.
- The introduction of the exit load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
- Any other measures which the mutual funds may feel necessary.

The AMC may change the load from time to time and in case of an exit/repurchase load this may be linked to the period of holding. The load charged could also be different as regards the amount/tenor of investment, etc. It may be noted that any such change in the load structure shall be applicable on prospective investment only.

The distributors should disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the scheme is being recommended to the investor.

#### **D. WAIVER OF LOAD FOR DIRECT APPLICATIONS - Not Applicable.**

However, the investors should note the following instructions for ensuring that the application is treated as a direct application:

1. Broker code, if already printed on the forms must be struck off and countersigned by the investors.
2. Ensure that the broker code block in the form is not left blank (i.e. it should be either struck off or indicated 'direct' or NA)

However, if the investor does not specify the application as "Direct" or otherwise, then the AMC treats such application as "Direct" in the interest of the investors.

## V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details

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

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

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income/revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.: None
2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/or the AMC AND/or the Board of Trustees/Trustee Company, for irregularities or for violations in the financial services sector, or for default with respect to share holders or debenture holders and depositors or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.: None
3. Details of all enforcement actions taken by SEBI in the last three years and/or pending with SEBI for the violation of SEBI Act, 1992 and the Rules and Regulations framed there under including debarment and/or suspension and/or cancellation and/or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel (especially the fund managers) of the AMC and Trustee Company were/are a party. The details of the violation shall also be disclosed.: None
3. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel are a party should also be disclosed separately.: None
4. Any deficiency in the systems and operations of the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.: None

**Notwithstanding anything contained in this SID, the provisions of the SEBI (Mutual Funds), Regulations, 1996 and the guidelines thereunder shall be applicable.**

**THE TERMS OF THE SCHEME WERE APPROVED BY THE DIRECTORS OF MIRAE ASSET TRUSTEE COMPANY PRIVATE LIMITED VIDE CIRCULAR RESOLUTION DATED SEPTEMBER 19, 2014.**

For and on behalf of the Board of Directors of  
**Mirae Asset Global Investments (India) Private Limited**  
(Asset Management Company for Mirae Asset Mutual Fund)

Sd/-

**Jisang Yoo**

Chief Executive Officer

Place: Mumbai

Date: June 18, 2015