Scheme Information Document

Canara Robeco Capital Protection Oriented Fund– Series 5

(Close Ended Capital Protection Oriented Scheme)

Rated AAAmfs(SO)! By CARE #

Name of the Scheme	This product is suitable for investors who are seeking*
Canara Robeco Capital Protection Oriented Fund– Series 5	• Capital Protection at Maturity and Capital Appreciation over medium term • Investment in Debt and Money Market Securities (70% - 100%) and Equity and Equity related instruments (0% - 30%) • Low Risk (BLUE)

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

Note: Risk is represented as: (BLUE) investors understand that their principal will be at low risk
(YELLOW) investors understand that their principal will be at medium risk
(BROWN) investors understand that their principal will be at high risk

Offer for Units of face value Rs. 10 per unit during the New Fund Offer.

New Fund Offer Opens on: 09th March, 2015
New Fund Offer Closes on: 20th March, 2015

Name of the Mutual Fund
Canara Robeco Mutual Fund
Name of the Asset Management Company
Canara Robeco Asset Management Company Ltd.
Name of the Trust
Canara Robeco Mutual Fund

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Ballard Estate, Mumbai - 400 001.
Tel. No. (022) 66585000
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Website: www.canararobeco.com

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

This Scheme Information Document sets forth concisely the information about the Canara Robeco Capital Protection Oriented Fund- Series 5 that a prospective investor should know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund/ Investor Services Centres/Web site/Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Canara Robeco Mutual Fund, Tax and Legal issues and general information on www.canararobeco.com.

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

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE/LIST/8525 dated 26th December, 2014 has given permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the Stock Exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

[#] CARE vide its letter CARE/HO/RL/2014-2015/1634 dated 29th December, 2014 has conditionally rated the Canara Robeco Capital protection Series 5 respectively, as '[CARE]AAAmfs(SO)!' (pronounced as CARE triple A m f s Structured Obligation). The rating indicates highest degree of safety regarding timely receipt of payments from the investments that the Scheme has made. The conditional rating is subject to the Scheme receiving the regulatory approvals and fulfillment of all conditions specified in the structural provisions agreed between CARE & Canara Robeco AMC. The ratings should, however, not be construed as an indication of expected returns, prospective performance of the Mutual Fund Scheme, NAV or of volatility in its returns. CARE reserves the right to suspend, withdraw or revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which CARE believes, may have an impact on the rating assigned to the Scheme. The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the units issued by the Scheme. The rating is restricted to Canara Robeco Capital Protection Oriented Fund - Series 5 only. CARE does not assume any responsibility on its part, for any liability, that may arise consequent to the AMC/ Mutual Fund not complying with any guidelines or directives issued by SEBI or any other mutual fund regulatory body.

This Scheme Information Document is dated 23rd February, 2015

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SUMMARY OF THE SCHEME

Name of the Scheme	Canara Robeco Capital Protection Oriented Fund- Series 5
Type / Category	Close Ended Capital Protection Oriented scheme
Investment Objective	To seek capital protection by investing in high quality fixed income securities maturing on or before the maturity of the scheme and seeking capital appreciation by investing in equity and equity related instruments. However, there is no assurance that the objective of the Fund will be realized and the Fund does not assure or guarantee any returns.
Tenure	The scheme will have the tenure of 40 months including the date of allotment.
Investment Options	The Scheme will offer two plans Regular and Direct. Under each plan there are two options • Regular plan: Growth, Dividend (Payout) • Direct plan: Growth, Dividend (Payout)
Minimum Application Amount	Minimum amount: Rs. 5,000.00 and multiples of Rs.10.00 thereafter during New Fund Offer.
Applicable NAV for Repurchase of Units / Switch Out	No redemption/repurchase of units shall be allowed prior to the maturity of this close ended scheme. Investors wishing to exit may do so, only in demat mode, by selling through National Stock Exchange of India Ltd (NSE) or any of the stock exchange(s) where the scheme will be listed as may be decided by the Trustees.
Load Structure	Entry Load - Nil. *SEBI vide its Circular No. SEBI / IMD / CIR No. 4 / 168230 / 09 dated June 30, 2009 has stipulated that there shall be no Entry Load for all mutual fund schemes. The upfront commission on investment made by the investor, if any, shall be paid to the distributor (AMFI registered distributor / ARN Holder) directly by the investor, based on the investor's assessment of various factors including service rendered by the distributor.* Exit Load/ Switch-over load : Nil *No Exit Load is applicable during the term of the Scheme since no redemption is permitted with the AMC / Mutual Fund before maturity of the Scheme, being a close ended Scheme. However, the Units of the Scheme are listed on NSE Investors wishing to exit may do so through the Stock Exchange route as per rules specified by the Stock Exchange(s).*
Bench Mark	CRISIL MIP Blended Fund Index As approved by the Board of Trustees, CRISIL MIP Blended Index is the Benchmark selected for the Fund. However The Trustees reserve the right to change the benchmark if due to a change in market conditions, a different index appears to be providing a more appropriate basis for comparison of fund performance or if the indicated benchmark ceases to exist or undergoes a substantial change that renders it an ineffective base for performance comparison and analysis. Any change in the Benchmark Index for the Scheme would be actuated only post approval from Board of Trustees.
NFO Price	Face Value of Rs. 10.00 per unit
Liquidity	The Scheme being offered through this Scheme Information Document is a Close Ended Capital Protection Oriented scheme. In-principle approval has been obtained from NSE vide its letter NSE/LIST/8525 dated 26th December, 2014 for listing the units on the exchange Units in demat form can be traded on NSE. The units may also be listed on BSE and/or other stock exchange(s) as may be deemed appropriate by the Trustees, accordingly then reference herein to NSE shall be deemed to mean and include BSE and/or such other Stock Exchange(s). The units of the scheme have been admitted with NSDL and CDSL. Applicant who wishes to apply for allotment in electronic form must have a demat account prior to making the application. The Units would be available for trading only in electronic form as per the ISIN allotted by NSDL and CDSL. No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchanges. Unit Holders who do not opt

	for allotment of units in electronic form or where the units are not credited to the beneficiary account(s) can dematerialize their holdings and then exit the scheme by selling their units through the stock exchange. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days.
Rating	The proposed portfolio structure has been rated 'CARE AAAmfs(SO)' by CARE, a SEBI registered credit rating agency, from the view point of assessing the degree of certainty for achieving the objective of capital protection. The rating would be reviewed on a quarterly basis.
NAV Disclosure/ Portfolio disclosure	**NAV disclosure** The AMC will calculate and disclose the first NAV(s) of the scheme not later than 5 (five) Business days from the date of allotment. Thereafter, the NAV will be calculated and disclosed for every Business Day. NAV of the scheme will be calculated up to four decimal places and shall be published in atleast two daily newspapers on daily basis in accordance with the SEBI Regulations. NAVs will also be displayed on the website of the AMC www.canararobeco.com. The AMC shall update the NAVs on the website of Association of Mutual Funds in India – AMFI (www.amfiindia.com) and the website of the AMC (www.canararobeco.com) by 9.00 p.m. every day. In case of any delay, the reasons for such delay would be explained to AMFI by the next business day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs. **Portfolio Disclosure:** As presently required by the SEBI Regulations, the portfolio of the schemes shall be available in a user-friendly and downloadable format on the website of AMC (www.canararobeco.com) on or before the tenth day of the succeeding month. As per the current SEBI Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in a newspaper within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.
Applications Supported By Blocked Amount (ASBA)	Investors may apply through the ASBA process during the NFO period of the Scheme by filling in the ASBA form and submitting the same to their respective banks, which in turn will block the amount in the account as per the authority contained in ASBA form, and undertake other tasks as per the procedure specified therein. For complete details on ASBA process refer Statement of Additional Information (SAI) made available on our website www.canararobeco.com.
Transaction Charges (For Lumpsum Purchases received through distributor/ agent during NFO)	The AMC shall deduct the Transaction Charges on purchase / subscription 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 to receive the transaction charges for this Scheme type) as under: **First Time Mutual Fund Investor:** 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. **Investor other than First Time Mutual Fund Investor:** 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. **Transaction charges shall not be deducted for :** • Purchases /subscriptions for an amount less than Rs. 10,000/-; • Transaction other than purchases/ subscriptions relating to new inflows such as Switch/ STP/, etc. • No transaction charges will be deducted for any purchase/subscription made directly with the Fund (i.e. not through any distributor/agent). • Transactions carried out through the stock exchange mode.

Maturity	The Units of the Scheme shall be fully redeemed at the end of its tenure. If the maturity date is not a Business Day, the immediately succeeding Business Day will be considered as the maturity date. On the maturity date, all Units under the Scheme will be compulsorily, and without any further act by the Unit Holders, redeemed at the Applicable NAV of that day. For the Units held in electronic form, the Units will be extinguished with the Depository and the redemption amount will be paid to the Unit Holders within 10 business days from the maturity date.
Dematerialization	The Unit holders are given an Option to hold the units in Dematerialized ('Demat') form. Unit holders opting to hold the units in demat form must provide their Demat Account details in the specified section of the application form. The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with a Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate in the application the DP's name, DP ID Number and the beneficiary account number of the applicant held with the DP at the time of subscribing to the units during the NFO. In case the unit holders do not provide their Demat Account details or provide incomplete details or the details do not match with the records as per Depository(ies), units shall be allotted in physical (non-demat) form. Such investors will not be able to trade in the stock exchange till their holdings are converted into demat form. Unitholders who have opted to hold and thereby allotted units in electronic (demat) form will receive payment of redemption / dividend proceeds into bank account linked to their Demat account. In case, the Unitholder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in physical (non-demat) mode into electronic (demat) form or vice-versa should be submitted alongwith a Demat / Remat Request Form to their Depository Participant(s). Investors should ensure that the combination of names in the account statement is the same as that in the demat account. The allotment of units in demat form shall be subject in terms of the guidelines / procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. Further, the units held in electronic (demat) form will be transferable 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.

I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

I. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.
II. Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the objectives of the Scheme will be achieved.
III. Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
IV. As the price / value / interest rates of the securities in which the Scheme invests fluctuate, the value of your investment in the Scheme may go up or down.
V. The past performance of the Sponsors/AMC/Mutual Fund does not guarantee future performance of the Scheme.
VI. Canara Robeco Capital Protection Oriented Fund- Series 5 is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or returns.
VII. Canara Bank and Robeco Groep N. V., being the Sponsors, are not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 10 Lacs made towards setting up the Canara Robeco Mutual Fund.
VIII. The present scheme is not a guaranteed or assured return scheme.

Scheme specific Risk Factors:

I. Risks associated with investments in Fixed Income Securities

Interest - Rate Risk: Fixed income securities such as government bonds, corporate bonds, and money market instruments and derivatives 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 depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.

Re - investment Risk: Investments in fixed income securities carry re - investment risk as interest rates prevailing on the coupon payment or maturity dates may differ from the original coupon of the bond.

Basis Risk: The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio.

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.

Liquidity Risk: The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.

Credit Risk: This is the risk associated with the issuer of a debenture / bond or a money market instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.

Liquidity Risk on account of unlisted securities: The liquidity and valuation of the Scheme investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

Settlement Risk: Fixed income securities run the risk of settlement which can adversely affect the ability of the fund house to swiftly execute trading strategies which can lead to adverse movements in NAV.

II. Risks associated with investments in equities and equity related instruments

- 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, currency exchange 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.

III. Risks associated with investments in derivatives

As and when the Scheme trades in the derivatives market, there are risk factors that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risk in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Derivatives can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Fund Manager involve uncertainty and decision of Fund Manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies.

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

Trading in derivatives has the following risks:

a. An exposure to derivatives in excess of the hedging requirements can lead to losses.

b. An exposure to derivatives can also limit the profits from a genuine investment transaction.

c. Efficiency of a derivative market depends on the development of a liquid and efficient market for underlying securities.

IV. Risks associated with Capital Protection and Ratings

The scheme offered is “oriented towards protection of capital” and “not guaranteed with returns”. Further, the orientation towards protection of the capital originates from the portfolio structure of the scheme and not from any bank guarantee, insurance cover etc. The ability of the portfolio to meet capital protection on maturity to the investors can be impacted by interest rate movements in the market, credit defaults by bonds, expenses and reinvestment risk.

CARE’s rating is not a recommendation to buy, sell or hold a fund or scheme. These ratings do not comment on the volatility of net asset value (NAV) of the scheme or the level of NAV compared to the face value during the tenure of the scheme any time before maturity. The ratings are based on current information furnished to CARE by the issuer or obtained by CARE from sources it considers reliable. CARE does not, however guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE does not perform an audit in connection with any rating and may on occasion rely on unaudited information. The ratings may be changed, suspended, or withdrawn as a result of changes in or unavailability of such information, or based on other circumstances. Fund rated by CARE have paid a rating fee.

The portfolio of the Scheme would be reviewed on a quarterly basis rating agency, CARE, in the light of the objective of the Scheme.

V. Risks associated with Market Trading

- Although Units of the Scheme as mentioned in this Scheme Information Document are to be listed on the Exchange(s), there can be no assurance that an active secondary market will develop or be maintained.
- Trading in Units of the Scheme on the Exchange(s) may be halted because of market conditions or for reasons that in view of Exchange Authorities or SEBI, trading in Units of the Scheme is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of Units of the Scheme will continue to be met or will remain unchanged.
- Any changes in trading regulations by the Exchange(s) or SEBI may inter-alia result in wider premium/ discount to NAV.
- The Units of the Scheme may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of Plan's holdings.
- The trading prices of Units of the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Scheme.
- The Units will be issued in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund on the maturity date / final redemption date will depend upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.
- As the Units allotted under Scheme of the Scheme will be listed on the Exchange(s), the Mutual Fund shall not provide for redemption / repurchase of Units prior to maturity / final redemption date of the Scheme.

VI. Risk factors associated with processing of transaction through Stock Exchange Mechanism

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

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the scheme. These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the scheme shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days of the date of closure of the New Fund Offer.

C. SPECIAL CONSIDERATIONS

- Prospective investors should study this Scheme Information Document and Statement of Additional Information carefully in its entirety and should not construe the contents hereof as advise relating to legal, taxation, financial, investment or any other matters and are advised to consult their legal, tax, financial and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest / redeem / hold Units.
- Neither this Scheme Information Document, Statement of Additional Information nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document or Statement of Additional Information in certain jurisdictions may be restricted or totally prohibited due to registration requirements and accordingly, persons who come into possession of this Scheme Information Document or Statement of Additional Information are required to inform themselves about and to observe any such restrictions and / or legal compliance requirements.
- The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this Scheme Information Document or the Statement of Additional Information or as provided by the AMC in connection with this offering. Prospective Investors are advised not to rely upon any information or representation not incorporated in the Scheme Information Document or Statement of Additional Information or as provided by the AMC as having been authorized by the Mutual Fund, the AMC or the Trustee.
- Redemption due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise due to such Redemptions.
- The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up for the reasons and in the manner provided in 'Statement of Additional Information ('SAI')'.
- The tax benefits described in this Scheme Information Document and Statement of Additional Information 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 advise received by the AMC regarding the law and practice currently in force in India as on the date of this Scheme Information Document and the Unit holders 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 Unit holder is advised to consult his / her own professional tax advisor.
- The NAV of the scheme may be affected by the changes in the general market conditions, factors and forces affecting capital market in particular, level of interest rates, various market related factors, settlement periods and transfer procedures.
- If a Unit holder invests in the schemes and acquire a substantial portion of the scheme units. The repurchase of units by the Unit Holder may have an adverse impact on the units of the schemes, because the timing of such repurchase may impact the ability of other Unit holders to repurchase their units.
- The AMC and/ or its Registrars & Transfer Agent (RTA) reserve the right to disclose/share Unit holder's details of folio(s) and transaction details there under with the following third parties:
    a) RTA, Banks and/or authorized external third parties who are involved in transaction processing, dispatching etc., of the Unitholder's investment in the Scheme;
    b) Distributors or sub-brokers through whom the applications are received for the Scheme;
    c) Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of the Unitholders for complying with anti-money laundering requirements.
- The AMC is the sub-Investment Manager in respect of Can bank (Offshore) Fund. The AMC sub-advises Robeco, Hongkong for Indian Securities pursuant to No Objection issued by SEBI vide its letter dated 29th June, 2011. The AMC is also the Portfolio Manager pursuant to Certificate of Registration INP000003740 dated 06th September, 2013 granted by SEBI.
- Controls and safeguards prescribed under the Regulation for managing the other business activities of AMC as mentioned above are being adhered to and there is no conflict of interest in managing the Schemes of the Fund

and the said business activities of AMC. The AMC will ensure that any potential conflicts between other business activities and the Mutual Fund will be adequately addressed by (a) compliance with the requirements under Regulation 24(b) of the SEBI (Mutual Funds) Regulations,1996 which require that the AMC cannot undertake any activity which is in conflict with the activities of the mutual fund; (b) ensuring that the fund manager(s) of each scheme of the Mutual Fund, will not play any role in the day-today operations of the other business activists, and the key investment team of the other business activities is not involved with the activities of the Mutual Fund; and (c) ensuring that there is no interest transfer of assets between the Mutual Fund and any account of the investor under Portfolio Management Services.

- Redemption due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise due to such Redemptions.
- Pursuant to the provisions of Prevention of Money Laundering Act or rules made thereunder if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, on failure to provide required documentation, information, etc. by the unit holder the AMC shall have absolute discretion to report such suspicious transactions to FIU - IND and / or to freeze the folios of the investor(s), reject any application(s) / redemptions / allotment of units.

Know Your Customer ("KYC"): The need to 'Know Your Customer' is vital for the prevention of money laundering. The Trustees / AMC may seek information or obtain and retain documentation used to establish identity. It may re-verify identity and obtain any missing or additional information for this purpose. The Trustees / AMC shall have absolute discretion to reject any application, or prevent further transactions by a Unit holder, if after due diligence, the Investor / Unit holder / a person making the payment on behalf of the Investor does not fulfill the requirements of the 'Know Your Customer' or the Trustees / AMC believes that the transaction is suspicious in nature as regards money laundering. In this behalf the Trustees / AMC reserves the right to reject any application and / or effect a mandatory Redemption of Units allotted to the Unit holder.

D. DEFINITIONS

In this Scheme Information Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

AMC Fees	Investment management fee charged by the AMC to the Scheme.
AMFI Certified Stock Exchange Brokers	A person who is registered with AMFI as Mutual Fund Advisor and who has signed up with Canara Robeco Asset Management Company Limited and also registered with BSE & NSE as Participant.
ARN Holder/AMFI Registered Distributors	Intermediary registered with Association of Mutual Funds in India (AMFI) to carry out the business of selling and distribution of mutual fund units and having AMFI Registration Number (ARN) allotted by AMFI.
Applicable NAV	The NAV calculated for the Business Day on which Sale and Repurchase requests received by the Investment Manager or its authorized agents.
Applicant	"Applicant" means a person who applies for allotment of units of Canara Robeco Capital Protection Oriented Fund- Series 5 in pursuance of this Scheme Information Document.
Asset Management Company OR AMC OR Investment Manager	Canara Robeco Asset Management Company Ltd. (CRAMC) incorporated under the provisions of the Companies Act, 1956 and approved by Securities and Exchange Board of India to act as the Asset Management Company for the scheme(s) of Canara Robeco Mutual Fund.
Allotment Date	The date on which the units of Canara Robeco Capital Protection Oriented Fund- Series 5 are allotted to the successful applicants from time to time and includes allotment made pursuant to the New Fund Offer.
Business Day	A day not being: (1) A Saturday or Sunday; or (2) A day on which Banks in Mumbai or the Reserve Bank of India are closed, or (3) A day on which there is no RBI clearing/settlement of securities; or (4) A day on which both the Stock Exchanges, Mumbai and the National Stock Exchange of India Limited are closed, whether or not the banks in Mumbai are open; or (5) A day on which Purchase and Redemption of Units is suspended or a book closure period is announced by the Trustee / AMC; or (6) 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. Provided that the days when the banks in any location where the AMC's branch offices are located, are closed due to a local holiday, such days will be treated as non Business Days at such branches for the purposes of accepting fresh subscriptions. However, if the branch offices in such locations are open on such local holidays, then redemption and switch requests will be accepted at those branches, provided it is a Business Day for the Scheme on an overall basis. Notwithstanding the above, the AMC reserves the right to change the definition of Business Day and to declare any day as a Business Day or otherwise at any or all branch offices.
Canara Bank	Canara Bank, a body corporate constituted under the provisions of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its registered office at 112, J. C. Road, Bangalore, 560002.
CBLO	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 ninety days.

Consolidated Account Statement	Consolidated Account Statement is a statement containing details relating to all the transactions across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions, etc.
Credit rating agency"	A credit rating agency registered with Securities and Exchange Board of India under SEBI (Credit Rating Agencies) Regulations, 1999 as amended from time to time.
Custodian	The custodian to Canara Robeco appointed from time to time.
Depository	Depository as defined in the Depositories Act, 1996 (22 of 1996).
Depository Participant	'Depository Participant' means a person registered as such under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, Series XVIII92.
Derivative	Derivative includes (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, or underlying securities.
Direct Plan	Direct plan is a separate plan for investors who purchase/subscribe units in Schemes directly i.e. investments not routed through a distributor.
Dividend	Income distributed by the Mutual Fund on the Units.
Entry Load or Sales Load	Load on Sale / Switch in of Units.
Exit Load or "Redemption Load	Load on Redemption / Switch out of Units.
Equity Related Instruments	"Equity Related Instruments" includes convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and any other like instrument.
Fund	Canara Robeco Mutual Fund
Fund Manager	Person/s managing the scheme
FII	Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FPI	Foreign Portfolio Investor (Foreign Portfolio Investor(FPI) as defined under Regulation 2(1)(h) of Security Exchange Board of India(Foreign Portfolio Investors) Regulations 2014, as amended from time to time.
Gilt/Govt. Securities	Central Govt. Securities as defined in Section 2 of the Public Debt Act, 1944 (18 of 1944) and Government Securities created and issued by the State Govt. under the said Act.
Interest Rate Risk	Uncertainty of future market values and of the size future income caused by fluctuations in the general level of interest rates.
Investor Service Centers" or "ISCs	Designated Branches or Offices of Canara Robeco Asset Management Company Limited or such other centres / offices as may be designated by the AMC from time to time.
Money Market Instruments	Include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities, having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India / SEBI, from time to time.
MIBOR	Mumbai Inter Bank Offered Rate
NAV	The term Net Asset Value (NAV) appearing in this Scheme Information Document means the NAV per unit of Canara Robeco Capital Protection Oriented Fund- Series 5 .
NRI	A Non-Resident Indian or a person of Indian origin residing outside India.
Official Points of Acceptance	Places, as specified by AMC from time to time where application for subscription /redemption / switch will be accepted on ongoing basis.
Person	The word "person" shall include a body corporate, group of individuals, trusts and other association of persons whether incorporated or not.

Person of Indian Origin	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
Qualified Foreign Investors /(QFIs)	Qualified Foreign Investor (QFI) shall mean a person resident in a country that is compliant with Financial Action Task Force (FATF) standards and that is a signatory to International Organization of Securities Commission's (IOSCO's) Multilateral Memorandum of Understanding, Provided that such person is not resident in India, Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account. Explanation- For the purposes of this clause: • "Person" shall carry the same meaning under Section 2(31) of the Income-tax Act, 1961 • "resident" in a country, other than India, shall mean resident as per the direct tax laws of that country. • "resident in India" shall carry the same meaning as in the Income-tax Act,1961 • "Member of FATF" shall not mean an Associate member of FATF. • "Bilateral MoU with SEBI" shall mean a bilateral MoU between SEBI and the overseas regulator that inter alia provides for information sharing arrangements.
Rating	Rating means an opinion regarding securities, expressed in the form of standard symbols or in any other standardized manner, assigned by a Credit Rating Agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.
RBI	Reserve Bank of India, established under the Reserve Bank of India Act 1934, as amended from time to time.
Redemption/Repurchase	Redemption of Units of the Scheme as permitted under the SID.
Regulatory Agency	Government of India, SEBI, RBI or any other authority or agency entitled to issue or give any directions, instructions or guidelines to the Mutual Fund.
Repo	Sale of Govt. Securities with simultaneous agreement to repurchase them at a later date
Reverse Repo	Purchase of Govt. Securities with a simultaneous agreement to sell them at a later date.
Registrar and Transfer Agent	Karvy Computershare Private Limited (Karvy), currently acting as registrar to the Scheme, or any other registrar appointed by the AMC from time to time
Robeco Groep N. V.	Robeco Groep N.V. (Robeco) is established in 1929 having its Corporate Office at Coolsingel 120, 3011 Rotterdam is one of the Sponsors of the Mutual Fund.
Statement of Additional Information or "SAI"	The document issued by Canara Robeco Mutual Fund containing details of Canara Robeco Mutual Fund, its constitution, and certain tax, legal and general information. SAI is legally a part of the Scheme Information Document.
SID	Scheme Information Document, offering units of Canara Robeco Capital Protection Oriented Fund- Series 5 to applicants for subscription.
Settler	Canara Bank
Sponsors	The Sponsors of the Mutual Fund, namely Canara Bank and Robeco Groep N. V.
Statement of Account	A non-transferable statement indicating the number of units held by the investor on a particular date.
Switch Over	Simultaneous applications by a unit holder for repurchase / redemption of units held by him under one of the Schemes (or a plan under the same Scheme) of Canara Robeco Mutual Fund with authorization to the Investment Manager to apply the repurchase/redemption proceeds, for the purchase of fresh/additional units of another scheme (or under another plan of the Scheme of which he is a unit holder) of Canara Robeco Mutual Fund, which is open for subscription at the time when the applications are made.

Stock Exchange	Stock Exchange means a Stock Exchange which is for the time being, recognized under the Securities Contracts (Regulation) Act,1956 (42 of 1956).
SEBI	Securities & Exchange Board of India established under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
The Scheme	Canara Robeco Capital Protection Oriented Fund- Series 5
Trustees	Trustees means Canara Bank in its Capacity as Principal Trustee and other Trustees appointed from time to time and include a Trustee Company, if incorporated and the Directors of such Trustee Company.
Trust Deed	Principal Trust Deed (Amended & Restated) dated 26th September 2007.
The Regulations	Securities & Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.
Unit Capital	The aggregate face value of the units issued and outstanding (including fractional units) under Canara Robeco Capital Protection Oriented Fund- Series 5 .
Unit	One undivided share of a unit holder in the assets of Canara Robeco Capital Protection Oriented Fund - 4 .
Unit holder	A person holding units of Canara Robeco Capital Protection Oriented Fund- Series 5 and includes a person who has opted to switch over his investment(s), wholly or partially, from another scheme or schemes of the Canara Robeco Mutual Fund to Canara Robeco Capital Protection Oriented Fund- Series 5 in accordance with the terms of this Scheme Information Document.

Interpretation

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

- The terms defined in this Scheme Information document include the plural as well as the singular.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.
- All references to 'USD' refer to United States Dollars and 'Rs' refer to Indian Rupees. A 'crore' means 'ten million' and a 'lakh' means a 'hundred thousand'.

The expressions not defined here shall carry the same meaning, assigned to them in the Scheme Information Document.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

a) The draft Scheme Information Document forwarded to SEBI is in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, and the guidelines and directives issued by SEBI, from time to time.

b) 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.

c) 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 Scheme.

d) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and till date such registration is valid, as on date.

e) The contents of the SID including figures, data, yields, etc. have been checked and are factually correct.

f) The Board of Trustees has approved the SID of Canara Robeco Capital Protection Oriented Fund - Series 5 on 22nd December, 2014.

Date: 2nd January 2015
Place: Mumbai

Signature: Sd/-
Name: Jignesh Modi
Head - Compliance & Company Secretary,
Canara Robeco Asset Management Company Ltd.

II. INFORMATION ABOUT THE SCHEME

A) TYPE OF THE SCHEME

Canara Robeco Capital Protection Oriented Fund- Series 5 is a Close Ended Capital Protection Oriented Scheme.

B) WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

To seek capital protection by investing in high quality fixed income securities maturing on or before the maturity of the scheme and seeking capital appreciation by investing in equity and equity related instruments. However, there can be no assurance that the investment objective of the Scheme will be realized.

C) HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

The Asset Allocation pattern of the scheme under normal circumstances would be as under:

Instruments	Allocation		Risk Profile
	Minimum	Maximum	
Indian Debt Instruments and Money Market Instruments	70%	100%	Low to Medium
Equity and equity related instruments	0%	30%	Medium to High

- Gross notional exposure by the Scheme in fixed income derivative instruments for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the net assets of the Scheme at the time of investment. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/IMD/DF/ 11/2010 dated August 18, 2010 as may be amended from time to time.
- The cumulative gross exposure through equity/equity related instruments, debt and derivative position shall not exceed 100% of the net assets of the scheme and the total exposure to option premium paid shall not exceed 20% of the net assets of the Scheme.
- The scheme does not intend to invest in securitised debt instruments and Repo/reverse repo in corporate debt securities.
- The scheme does not intend to invest in Foreign Securities/ securities lending and short selling.
- The scheme will invest in debt instruments which mature on or before the date of the maturity of the scheme.
- Pending deployment of the corpus of the Scheme in terms of investment objective, the Fund may invest the corpus of the Scheme in short term deposits in accordance with the guidelines issued by SEBI.The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time.

Subject to the SEBI 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. These proportions can vary depending upon the perception of the Fund Manager; the intention being at all times to seek to protect the interests of the unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations interalia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time. While making asset allocations, the Fund Manager would endeavor that capital remains protected on maturity and ensure that rating of the Scheme is not adversely affected.

Portfolio Rebalancing:

The scheme shall rebalance the portfolio within 30 days. However, the scheme will endeavour to complete the rebalancing within 10 days. At all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall investment objective of the schemes.

OTHER DISCLOSURES FOR CLOSE ENDED DEBT ORIENTED SCHEMES:

1. **Credit Evaluation Policy**
   From the credit evaluation perspective, each company is internally appraised by focusing on various parameters including business fundamentals, financial analysis, industry analysis, and management track record. A detailed analysis is carried out before deciding to invest. All research is carried out internally and approved as per our authorisation matrix. There is a set of Prudent Investment Norms in place, which is directed by the Board of Trustees and the Risk Management Committee of the AMC, and are complied with for all investments under debt schemes.

2. **Sectors in which the Scheme(s) shall not invest**
   The scheme shall not invest in instruments issued by companies in the Real Estate, Construction and Gems & Jewelleries sectors. Depending upon the changes in the investment environment, the AMC may consider other Sectors/companies for applying such restrictions from time to time.

3. **Type of instruments which the schemes propose to invest in:** Please refer Section **'D. Where will the scheme invest'** given below for further details.

4. **Floors and Ceiling within a range of 5% of the intended allocation (in %) against each sub asset class / credit rating:** *(The scheme shall invest in various securities/instruments as mentioned below with the ratings mentioned against the type of instrument. As per SEBI circular Cir/IMD/DF/12/2011 dated August 01, 2011, the scheme is allowed to invest within a range of 5% of the intended allocation (floor and cap) against each sub asset class/credit rating.*

   Intended Portfolio Allocation:

Credit Rating/ Instruments	AAA	A1+	**Not Applicable**
CDs		0-5%	
CPs		0-5%	
NCDs	95-100%		
Others(CBLO, Repo &T-Bills)			

Note:

1. All investments shall be made based on rating prevalent at the time of investment.
2. In case of non-availability of and taking into account the risk-reward analysis of CDs and NCDs; the scheme may invest in Bank CDs having highest ratings (i.e. A1+ or equivalent) or Government Securities / T-Bills / CBLO/. Such deviation may continue till maturity of the scheme, if suitable NCDs of desired credit quality is not available.
3. At the time of building the portfolio post NFO and towards the maturity of the scheme, there may be a higher allocation to cash and cash equivalents.

4. Further, the above allocation may vary during the duration of the Scheme. Some of these instances are: (i) coupon inflow; (ii) the instrument is called or bought back by the issuer (iii) in anticipation of any adverse credit event etc. In case of such deviations, the Scheme may invest in Bank CDs having highest ratings (i.e. A1+ or equivalent) / CBLOs / Government Securities / TBills. Deviation, if any, due to such instances, may continue till maturity, if suitable NCDs of desired credit quality are not available.
5. Change in Asset Allocation: Further, in the event of any deviations below the minimum limits or beyond the maximum limits as specified in the above table and subject to the notes mentioned herein, the Fund Manager shall rebalance the portfolio within 30 days from the date of said deviation (provided such deviation is not too close to maturity of the scheme). Accordingly, investors should note that there will not be any variation between the intended portfolio allocation and the final portfolio allocation apart from the exceptions as mentioned under clauses (2), (3), (4) above.
6. The Scheme shall not invest in unrated debt instruments. For this purpose, unrated debt securities shall exclude instruments such as Government Securities, T bills, CBLO, short term deposit and such similar instruments to which rating is not applicable.

5. **Reporting:** After the closure of NFO of the scheme, the AMC will report in the next meeting of AMC/ Trustees, the publicized percentage allocation and the final portfolio.

D) WHERE WILL THE SCHEME INVEST?

Subject to the Regulations, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities:

- Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt, Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, , Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted.
- Equity and equity related instruments including preference shares, convertible bonds, debentures and warrants carrying the right to obtain equity shares and derivative instruments like futures or options on equity or equity indices shares and derivative instruments like futures or options on equity or equity indices.
- Securities created and issued by the Central and State Governments and/or repos/reverse repos/in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, and Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India / SEBI, from time to time.
- Certificate of Deposit (CDs);
- Commercial Paper (CPs);
- Derivative instruments like Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI
- Any other instruments / securities, which in the opinion of the fund manger would suit the investment objective of the scheme subject to compliance with extant Regulations.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme.

E) WHAT ARE THE INVESTMENT STRATEGIES?

Investment Focus and strategy:

The Fund manager would endeavor to construct the portfolio within the guidelines set forth in the Scheme Information Document (prospectus) and by the Canara Robeco Risk Management Committee. The portfolio construction process will adhere to stringent credit quality and sector limitations. The Risk Management & Control Structure is at the core of the entire portfolio construction process with the Security & Liquidity Limits guiding the security selection.

Equity Investment Policy: The equity allocation will be managed like a diversified portfolio with high conviction stock ideas. Bottom-up stock picking methodology will be followed at the time of portfolio construction which forms the core of Business Management Valuation (BMV) investment process followed across our current equity funds.

Fixed Investment Policy: Most of the portfolio will be invested in zero coupon bonds which expire in line with the maturity of the schemes and are highly rated by the credit rating agencies and/or other highly rated debt and money market securities maturing on or before the maturity of the scheme. It will primarily follow a passive investment strategy, where the portfolio will be intended to largely buy and hold till maturity.

Investment in Debt Securities required for capital protection will only be madein such securities carrying the highest investment grade rating accorded by an approved credit rating agency.

In times of uncertainty, the scheme has the flexibility to go up to 100% in fixed income (debt instruments) in order to limit downside.

Derivatives Investment Policy: The fund may take exposure to equity market via futures or options as it allows efficient participation in equity market movements. At the start date of the scheme the futures or options may be bought and may be held until their expiry date. The expiry date would fall within the maturity date of the scheme.

The Trustees shall continuously monitor the portfolio structure of the Scheme and report the same in the Half Yearly Trustee Reports to SEBI. The AMC shall also report the same in their bimonthly reports to SEBI.

Debt and Money Markets in India

The Indian debt market is today one of the largest in Asia and includes securities issued by the Government (Central & State Governments), public sector undertakings, other government bodies, financial institutions, banks and corporates. Government and public sector enterprises are the predominant borrowers in the markets. The major players in the Indian debt markets today are banks, financial institutions, mutual funds, insurance companies, primary dealers, trusts, pension funds and corporates. The Indian debt market is the largest segment of the Indian financial markets. The debt market comprises broadly two segments, viz. Government Securities market or G-Sec market and corporate debt market. The latter is further classified as market for PSU bonds and private sector bonds.

The Government Securities (G-Secs) market is the oldest and the largest component (70% share in market cap) of the Indian debt market in terms of market capitalization, outstanding securities and trading volumes. Over the years, there have been new products introduced by the RBI like zero coupon bonds, floating rate bonds, inflation indexed bonds, etc.

The corporate bond market, in the sense of private corporate sector raising debt through public issuance in capital market, is only an insignificant part of the Indian Debt Market. A large part of the issuance in the non-Government debt market is currently on private placement basis.

In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates.

In money market, activity levels of the Government and nongovernment debt vary from time to time. Instruments that comprise a major portion of money market activity include but not limited to:

- Overnight Call (i.e. market for overnight and term money between banks and institutions)
- Collateralised Borrowing & Lending Obligations (CBLO)
- Repo/Reverse Repo Agreement (temporary sale with an agreement to buy back the securities at a future date at a specified price)
- Treasury Bills (issued by RBI)
- Government securities with a residual maturity of < 1 year.
- Commercial Paper CPs, short term unsecured promissory notes, generally issued by corporates)
- Certificate of Deposit (CDs, issued by banks)

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as Money Market Instruments, PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The market has evolved in past 2-3 years in terms of risk premia attached to different class of issuers. Bank CDs have clearly emerged as popular asset class with increased acceptability in secondary market. PSU banks trade the tightest on the back of comfort from majority government holding. Highly rated manufacturing companies also command premium on account of limited supply. However, there has been increased activity in papers issued by private/foreign banks/NBFCs/companies in high-growth sector due to higher yields offered by them. Even though companies across these sectors might have been rated on a same scale, the difference in the yield on the papers for similar maturities reflects the perception of their respective credit profiles.

The following table gives approximate yields prevailing as on 13th February, 2015 some of the instruments:-

Instrument	**Current Yield Range**
CBLO	6.00-8.00%
Repo	7.75%
3m Tbill	8.27%
1y Tbill	8.04%
10y G Sec	7.70%
3m PSU Bank CD	8.93%
3m NBFC CP	9.23%
3m Non NBFC CP	9.13%
1y PSU Bank CD	8.83%
1y NBFC CP	9.13%
1y Non NBFC CP	9.03%
5y AAA Institutional Bond (PSU Bond)	8.30%
10y AAA Institutional Bond (PSU Bond)	8.26%

These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy. The price and yield on various debt instruments fluctuate from time to time depending upon the macro economic situation, inflation rate, overall liquidity position, foreign exchange scenario etc. Also, the price and yield vary according to maturity profile, credit risk etc.

Hedging and Derivatives

The scheme intends to use derivatives as may be permitted under the Regulations from time to time. The same shall be within the permissible limit prescribed by SEBI (Mutual Fund) Regulations from time to time.
As a part of the fund management process, the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and in accordance with SEBI Regulations as may be applicable from time to time.

The following are the position limits for Mutual Funds and its schemes:

i. Position limit for Mutual Funds in index options contracts

a. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 250 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for Mutual Funds in index futures contracts:

a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 250 crore or 15% of the total open interest of the market in index futures, whichever is higher per Stock Exchange.
b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:

1. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
2. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for Mutual Funds for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, stand in the following manner:

1. For stocks in which the market wide position limit is less than or equal to Rs. 250 crore, the Mutual Fund position limit in such stock shall be 20% of the market wide position limit.
2. For stocks in which the market wide position limit is greater than Rs.250 crore, the Mutual Fund position limit in such stock shall be Rs.50 crore.

v. Position limit for each scheme of a Mutual Fund

The position limits for each scheme of mutual fund and disclosure requirements shall be identical to that prescribed for sub account of a FII/FPI. Therefore, the scheme-wise position limit/ disclosure requirements shall be:

i. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
ii. This position limits shall be applicable on the combined position in all derivative contracts on underlying stock at a Stock Exchange.
iii. For index based contracts, Mutual Funds disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

Monitoring of Position Limits

a. The Mutual Fund shall notify Clearing Member/s for each scheme, through whom it would clear its derivative contracts, to the Stock Exchange.
b. The Stock Exchange would then assign a unique client code to each scheme of the Mutual Fund.
c. The Stock Exchange shall monitor the scheme-wise position limits in the manner similar to that prescribed for FIIs/FPIs and their sub-accounts in SEBI circular no. SMD/DC/Cir/-11/02 dated February 12, 2002 as modified from time to time.

The Fund shall comply with the guidelines issued by SEBI and amendments thereof issued from time to time in derivative trading.

Equity / Equity Related Derivative Instruments:

Index futures / options are meant to be an efficient way of buying / selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures / options can be an efficient way of achieving the Scheme's investment objective. Index futures / options may avoid the need for tracking in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scrips. Index futures / options can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares of an index and will be easy to settle compared to physical portfolio of shares representing an index.

Stock futures / options could also be used as an alternative to investing in particular stocks comprising an index where either the liquidity is low or the impact cost is high.

Basic Structure of an Index Future

Index Futures are instruments designed to give exposure to the equity market indices. The Stock Exchange, Mumbai and the National Stock Exchange of India Limited have started trading in index futures. The pricing of an index future is the function of the underlying index and short-term interest rates.

Illustration :

Spot Index : 1070
1 month Nifty Future Price on day 1 : 1075
Fund buys 100 lots
Each lot has a nominal value equivalent to 200 units of the underlying index.
Let us say that on the date of settlement, the future price = Closing spot price = 1085
Profits of the Fund = (1085-1075)* 100 lots * 200 = Rs.200,000.
Similarly, the fund can suffer a loss if the future price is lower than the contracted price. Let us say that in the above example, on the date of settlement the future price = Closing Spot Price = 1060.
Loss for the Fund = (1060-1075)* 100 lots * 200 = (Rs.300,000)

Please note that the above example is given for illustration purposes only.

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity) plus interest costs on funds that would otherwise be invested in stocks comprising the index. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and/or mispricing of the future at any time during the life of the contract.

Strategy Number No. 1

Using Index Future to increase percentage investment in equities.

The strategy will be used for the purpose of generating returns on idle cash, pending its investment in equities. The Scheme is open ended in nature and subject to daily inflows. There may be a time lag between the inflow of funds and their deployment in equities. If so desired, the AMC would be able to take immediate exposure to equities via index futures. The position in index futures may be reversed in a phased manner, as the funds are deployed in the equity markets.

Example:
The scheme has a corpus of Rs. 50 crores and there is an inflow of Rs. 5 crore in a day. The AMC may buy index futures contracts of a value of Rs. 5 crore. Later as the money is deployed in the underlying equities, the value of the index futures contracts can be suitably reduced.

Portfolio	Event	Equity Portfolio Gain/(Loss) Rs. in Crs.	Derivative Gain/ (Loss) Rs. in Crs.	Total Portfolio Gain / (Loss) Rs. in Crs
Rs.50 Crore Equity exposure	10% rise in equity	5	NIL	5
Rs. 50 Crore exposure + Rs. 5 Crore long position index futures	10% rise in Equity Price	5	0.5	5.5
Rs.50 crore Equity exposure	10% fall in Equity price	(5)	Nil	(5)
Rs.50 crore Equity exposure + Rs 5 crore long position index futures	10% fall in equity price	(5)	(0.5)	(5.5)

RISKS
The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not be provide gains perfectly aligned to the movement in the index.

The long position will have as much loss as a gain in the underlying index, e.g. if the index appreciates by 10%, the future value rises by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain/loss due to the movement of the underlying index. This is called the basis risk.

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

Similarly, the fund can use stock futures to reduce the cost of holding in the following manner:
When stock futures are trading at a discount then the fund can buy stock in futures market instead of buying in the cash market. On expiry of the contract, both prices (spot and future) have to align. On expiry or as and when stocks start trading at a premium in the futures market the transaction can be reversed by selling the stock in futures and buying in the cash market.

Fund can take advantage of arbitrage opportunities in the futures markets to reduce cost of holding. If stock futures are trading at a discount then the fund can sell its existing holding in cash market and buy in the futures market. The cash realised will earn interest while the overall cost of the holding stock will also come down. On expiry of contract both prices (spot and futures) have to align. On expiry or as and when the stock starts trading at a premium in the futures market, the transaction can be reversed by selling the stock in the futures and buying in the cash markets.

Strategy Number 2

Using Index Futures to decrease percentage investment in equities

Similarly, in the case of a pending outflow of funds where a negative view is taken on the market, the Fund, in order to reduce exposure in equities may 'sell the index forward' by taking a short position in Index Futures. This position can be unwound over a period of time simultaneously selling the equity shares from the investment portfolio of the Scheme. The strategy of taking a short position in the index future is a hedging strategy and reduces the market risk and volatility of the portfolio. However, if the value of the index future rises, then, the fund would be adversely affected due to its short position in index futures.

Example: Assume that a scheme has an equity exposure of Rs. 100 crore. If the Fund Manager wishes to reduce the equity exposure to Rs. 50 crore for a short time, he should sell index futures contracts of Rs. 50 crore.

Portfolio	Event	Equity Portfolio Gain/(Loss) (Rs. In crore)	Derivatives Gain/(Loss) (Rs. In crore)	Total portfolio Gain/(Loss) (Rs. In crore)
Without Hedge Rs.100 crore equity Exposure	10 % fall in equity price	(10)	NIL	(10)
With Hedge Rs.100 crore equity Exposure	10 % fall in equity prices	(10)	5	(5)
Without Hedge Rs.100 crore equity Exposure	10 % rise in equity prices	10	NIL	10
With Hedge Rs.100 crore equity Exposure	10 % rise in equity prices	10	(5)	5

50% Hedge – contract value of Rs. 50 crore

The above example demonstrates that the Fund would benefit from the hedged position if the index future moves in the direction as expected by the Fund Manager. Similarly, the Fund would be adversely affected from the hedged position if the index does not move in the direction expected by the Fund Manager.

RISKS

• The strategy of taking a short position in index futures is a hedging strategy and reduces the market risk. The short position is negatively correlated with the market. However, there is no assurance that the stocks in the portfolio and index behave in the same manner and thus this strategy may not be a perfect hedge.

• The short position will have as much loss as a gain in the underlying index. e.g. if the index appreciates by 10%, the future value falls by 10%. However, this is true only for futures contract held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain/loss due to the movement of the underlying index. This is called the basis risk.

• While futures markets are more liquid, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific future contract.

Strategy Number 3

Portfolio Protection Using Index Put

The purchase of an index put option gives the scheme the option of selling the index to the writer of the put at a predetermined level of the index, called the strike price. If the index falls below this level, the scheme benefits from the rise in the value of the put option.

Similarly, as a stock hedging strategy, the purchase of a put option on the underlying stock would give the scheme the option to sell the stock to the writer of the option at the predetermined strike price. This would lead to a capping of the loss in value of a stock.

Example: Let us assume a scheme with a corpus of Rs. 100 crore. Let us also assume an index of 100. The scheme is fully invested (Rs. 100 crore in equities). The scheme purchases a put option on the index with a strike price of 95 for an assumed cost of Rs. 1 crore. The following table illustrates the portfolio returns:

% change in Index	Index Value	Equity Portfolio Value Rs. In crore A	Option Value Rs. In crore B	Cost of the Put Option Rs. In crore C	Portfolio Value Rs. In Crore (A+B+C)	% returns from portfolio
10	110	110	0	(1)	109	9
5	105	105	0	(1)	104	4
(5)	95	95	0	(1)	94	(6)
(10)	90	90	5	(1)	94	(6)
(15)	85	85	10	(1)	94	(6)

A similar put option can be purchased on any individual stock and the downside can be capped.

RISKS

- The table shows that the portfolio value will not fall below Rs. 94 crore, while the scheme benefits from any increase in stock prices. The table assumes perfect correlation between the equity portfolio and the index. However this may not be the case. Therefore, the minimum portfolio value cannot be assured, but the loss is expected to be lower in a portfolio with a put option on the index, as compared to a normal portfolio.
- The put option would lead to a gain based on the difference between the strike price and the index level at expiration date, if positive. However, in case the option is reversed before the expiration date, the market price received on the sale of the option may be different from the price calculated.
- While liquidity exists in options markets, there can be no assurance that the ready liquidity would exist at all points in time, for the scheme to purchase or close out a specific options contracts.
- In the case of purchase of a stock put, the strategy is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option, which can potentially take the stock value below the minimum under the hedge.

Similarly, the Fund can use stock futures to reduce the cost of holding in the following manner:

- When stock futures are trading at a discount then the fund can buy in futures market instead of buying in the cash market. On expiry of the contract, both prices (spot and futures) have to align. On expiry or as and when stocks starts trading at a premium in the futures market, the transaction can be reversed by selling the stock in futures and buying in the cash market.
- Fund can take advantage of arbitrage opportunities in the futures markets to reduce cost of holding. If stock futures are trading at a discount then the fund can sell its existing holding in cash market and buy in futures market. The cash realised will earn interest while the overall cost of holding stock will also come down. On expiry of contract both prices (spot and futures) have to align. On expiry or as and when the stock starts trading at a premium in the futures market, the transaction can be reversed by selling the stock in the futures and buying in the cash markets.

Strategy Number 4

The scheme could gain exposure to the equity markets through exchange traded call options. The investment team will evaluate the prevailing premium levels on the call options with tenure suitable to the scheme. The scheme could in such a case implement a buy and hold (passive investment) strategy for the equity index call options held or buy a series of shorter term equity index call options, thus the options strategy may be managed actively.

Example: Let us assume a scheme with a corpus of Rs. 100 crore. Let us also assume an index of 100. The scheme is invested about Rs. 99 crore in debt (which matures to Rs. 100 crores). The scheme purchases a call option on the index with a strike price of 100 for an assumed cost of Rs. 1 crore. The following table illustrates the portfolio returns:

% change in Index	Index Value	Debt Portfolio Value (at maturity) Rs. In crore A	Option Value Rs. In crore B	Portfolio Value Rs. In Crore (A+B)	% returns from portfolio
10	110	100	10	110	10
5	105	100	5	105	5
0	100	100	0	100	0
(5)	95	100	0	100	0
(10)	90	100	0	100	0

A similar call option can be purchased on any individual stock and the downside can be floored.

The rate of participation would depend on prevailing prices of call options and the Amount Available for investment in options.

	Scenario 1	Scenario 2	Scenario 3
Strike price	8100	8200	8300
Premium	1925	1850	1700
Premium as %age of strike price	23.77%	22.56%	20.48%
Amount Available for investment in options (assumed)	17%	17%	17%
Therefore, Rate of Participation is amount invested in options / premium	72%	75%	83%

RISKS

- If the call options expire in the money, but not enough to compensate the premium paid, the returns of the option strategy could be less than the returns of the underlying equity market on maturity.
- Further, if the options expire out of money, the scheme will face a loss to the extent of the premium paid for options. In such case even if the equity market has a positive return during the tenure of the Scheme, the Scheme may not provide positive returns in line with the market.
- There is also a possibility of the call options expiring prior to the maturity of the scheme. In such a case, the returns of the call option portion of the scheme on maturity may not coincide with the returns of the underlying equity market on maturity.
- Further in case of series of shorter term call options, since short dated options would be purchased at different times and at costs prevailing at the time of such purchase, the returns generated by such a strategy could be different from returns of the underlying equity market on maturity and from the returns generated from a buy and hold call options strategy up to the maturity of the scheme

Advantages of Equity Derivatives:

In times of volatility in the equity markets, derivatives provide much needed flexibility to hedge against this volatility. Some of the advantages of specific derivatives products are given below:

- Stock Index Futures can give exposure to the index. Appreciation in Index Investment in Stock Index Futures can give exposure to the index without directly buying the individual stocks, which make up the index. Appreciation in Index stocks can be effectively captured through investment in Stock Index Futures.
- The Scheme can sell futures to hedge against market movements without actually selling the underlying stocks it hold.
- By buying call options on the index, one can participate in the rise in the market, without actually buying individual stocks.

- By buying put options on the index, the Scheme can insulate the portfolio (assuming a perfect co-relation between portfolio and index which may not be the case) from the downside risk at a small cost.

Debt / Debt Related Derivatives
The Scheme may use derivatives in accordance with SEBI Regulations. RBI has issued guidelines on Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA) on July 7, 1999. These products were introduced for developing the nation's Debt Market.

Interest Rates Swaps (IRS)
All swaps are financial contracts, which involve exchange (swap) of a set of payments receivable by one party for another set of payments receivable by another party, usually through an intermediary. An IRS can be defined as a contract between two parties (Counter Parties) to exchange, on particular dates in the future, one series of cash flows (fixed interest) for another series of cash flows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cash flows need not occur on the same date.

Forward Rate Agreements (FRA)
A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the Reference rate and hence is single settlement contracts. As in the case of IRS, notional amounts are not exchanged.
The Scheme will use derivative instruments for the purpose of hedging and portfolio balancing. Hedging does not mean maximisation of returns but only reduction of systematic or market risk inherent in the investment.

Basic Structure of an Interest Rate Swap
An interest rate swap is an agreement between two parties to exchange future payment streams based on a notional amount. Only the interest on the notional amount is swapped, and principal amount is never exchanged.
In a typical interest rate swap, one party agrees to pay a fixed rate over the term of the agreement and to receive a variable or floating rate of interest. The counterparty receives a stream of fixed rate payments at regular intervals as described in the agreement and pays the floating rate of interest.

Illustration:
Fixed interest rate: 10% p.a.
Variable Interest Rate: Over-Night MIBOR (variable)
Notional Principal: Rs.10 crore
Period of Agreement: 1 year
Interest Frequency: Semi-annual
Suppose six month period from the value date of swap to the first payment date is 182 days and the daily compounded over-night MIBOR is say 8% p.a. on that date, the interest streams are as follows:
Fixed Rate Payment:
Rs.10,00,00,000.00 x 182 x 10 / 365 x 100 = Rs.49,86,301.36
Variable Rate:
Rs.10,00,00,000.00 x 182 x 8 / 365 x 100 = Rs.39,89,041.09
In the above example, the fixed rate payer will pay the variable rate payer a net amount of Rs.9,97,260.27 (Rs.49,86,301.36 - 39,89,041.09).
Likewise the second and final payment will depend upon the variable NSE MIBOR for the remaining 183 days and the interest stream of fixed rate for the said period, the difference of which, will be settled between the parties at the expiry of the contract.
The above example illustrates the benefits and risks of using derivatives for hedging and optimising the investment portfolio. Swaps have its own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Valuation of Derivative Products
The traded derivatives shall be valued at the closing price provided by the respective stock exchanges.
When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange.

Exposure to Derivatives
Losses may arise as a result of using derivatives, but these are likely to be compensated by the gains on the underlying cash instruments held by the Scheme.

Risk associated with Derivatives trading:
The risk associated with index futures is similar to the one with equity investments. Additional risks could be on account of illiquidity and hence mispricing of the futures at the time of purchase. As and when the Scheme trades in the derivatives markets, there are risk factors and issues concerning the use of derivatives. Derivative products are specialised instruments that require investment techniques and risk analyses different from those associated with stocks. The use of a derivative requires understanding of the underlying instrument as well as that of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess risk that a derivative adds to the portfolio and the ability to forecast price movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks associated with trading in derivatives include the risks of mispricing or improper valuation of derivatives and inability of derivatives to correlate perfectly with underlying assets, indices.

The net impact for the Scheme will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, profit or loss for the Scheme will be the difference between the closing price (which can be higher or lower than the purchase price) and the purchase price.

Risk Control Mechanism
Since investing requires disciplined risk management, in order to protect the interests of investors, the AMC would incorporate adequate safeguards for controlling risks in the portfolio. As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Where required, scheme specific guidelines are also in place.

Debt Securities
Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, ICRA, CARE etc. as well as the internal norms for credit exposure

Equity and Equity Related Instruments
Investments made by the schemes would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Procedure followed for investment decisions:

The Fund Manager of the Scheme is responsible for making buy / sell decisions for the Scheme's portfolio and seeks to develop a well diversified portfolio taking into account the asset allocation patterns of various schemes along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.

The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head – Fixed Income, Head of Risk Management, Head of Equities that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook.

The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings, as well as additional ad-hoc meetings as needed, to explore the investment thesis.

It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objective of the Scheme and in the interest of the Unit holders of the Scheme. The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.

Portfolio Turnover:

The Scheme being a close ended scheme will primarily follow a passive investment strategy for the fixed income portion. While the portfolio is intended to be largely bought and hold, the portfolio turnover will depend upon the circumstances prevalent during the tenure of the portfolio. However, the equity portion of the Scheme may be actively managed. Therefore, it is anticipated that the overall portfolio turnover would be comparatively lower than an open ended scheme. However, the Scheme does not have a target for portfolio turnover. The portfolio turnover will be mainly for maximising the gains and minimising risks keeping in mind the cost associated with it. However, it is difficult to estimate with reasonable measure and accuracy, the likely turnover in the portfolio of the Scheme.

F) FUNDAMENTAL ATTRIBUTES

The Fundamental attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

i) Type of a scheme

Canara Robeco Capital Protection Oriented Fund – Series 5 is a Close Ended Capital Protection Oriented Scheme.

ii) Investment Objective

Investment objective: To seek capital protection by investing in high quality fixed income securities maturing on or before the maturity of the scheme and seeking capital appreciation by investing in equity and equity related instruments. However, there is no assurance that the objective of the Fund will be realised and the Fund does not assure or guarantee any returns.

Investment pattern:

The Asset Allocation pattern of the Scheme under normal circumstances would be as under:

Instruments	Allocation		Risk Profile
	Minimum	Maximum	
Indian Debt Instruments and Money Market Instruments	70%	100%	Low to Medium
Equity and equity related instruments	0%	30%	Medium to High

- Gross notional exposure by the Scheme in fixed income derivative instruments for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the net assets of the Scheme at the time of investment. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/IMD/DF/ 11/2010 dated August 18, 2010 as may be amended from time to time.
- The cumulative gross exposure through equity/equity related instruments, debt and derivative position shall not exceed 100% of the net assets of the scheme and the total exposure to option premium paid shall not exceed 20% of the net assets of the Scheme.
- The scheme does not intend to invest in securitised debt instruments and Repo/reverse repo in corporate debt securities.
- The scheme does not intend to invest in Foreign Securities/ securities lending and short selling.
- The scheme will invest in debt instruments which mature on or before the date of the maturity of the scheme.
- Pending deployment of the corpus of the Scheme in terms of investment objective, the Fund may invest the corpus of the Scheme in short term deposits in accordance with the guidelines issued by SEBI. The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time.

Subject to the SEBI 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. These proportions can vary depending upon the perception of the Fund Manager; the intention being at all times to seek to protect the interests of the unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations interalia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time. While making asset allocations, the Fund Manager would endeavor that capital remains protected on maturity and ensure that rating of the Scheme is not adversely affected.

(iii) Terms of Issue
Listing/Redemption/Repurchase of Units:

Listing: The scheme being offered through this Scheme Information Document is a close ended Scheme and the units offered under the Scheme will be listed on one or more recognized stock exchanges as may be decided by AMC within 5 business days from the date of allotment. As the units will be listed on stock exchanges, investors/ unitholders can buy / sell units on a continuous basis on the stock exchanges during the trading hours like any other publicly traded stock at market prices. The minimum number of Units that can be bought or sold on the Exchange is 1 (one) unit. Unitholders who wish to trade in units would be required to have a demat account. All investors may buy/sell Units on the Stock Exchange on all the trading days as per the settlement cycle of the Stock Exchange.

As per SEBI Circular no. CIR/MD/DF/10/2010 dated 28th August, 2010, in order to facilitate transferability of units held in one demat account to another demat account; units of the scheme held in demat form shall be freely transferable.

Although Units are to be listed on Stock Exchange, there can be no assurance that an active secondary market will develop or be maintained. The AMC and the Trustees will not be liable for delay in trading of Units on Stock Exchange due to the occurrence of any event beyond their control.
As per SEBI circular SEBI/IMD/CIR No. 12/147132/08 dated December 11, 2008 Trustees have obtained in-principle approval for listing of schemes from National Stock Exchange of India Ltd.

Redemption/Repurchase of units: No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchanges. Unit Holders who do not opt for allotment of units in electronic from or where the units are not credited to the beneficiary account(s) can dematerialize their holdings and then exit the scheme by selling their units through the stock exchange. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days from the date of maturity, subject to availability of all relevant documents and details.

(iv) Aggregate fees and expenses 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 sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. These expenses will 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 the following percentage of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund **www.canararobeco.com**. Any expenses beyond the limits shall be borne by the AMC.

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.25%
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 and derivative market trades resp.	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	**Upto 2.25%**
Additional expenses for gross new inflows from specified cities	Upto 0.30%

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.

At least 5% of the TER is charged towards distribution expenses / commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses / commission (at least 5%) 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. .

The purpose of the above table is to assist the Investor in understanding the various costs and expenses that an Investor in the Scheme will bear directly or indirectly. The figures in the table above are estimates. The actual expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI (MF) Regulations.

As per the Regulation 52, the investment management fee and total annual scheme recurring expenses chargeable to the Scheme are as under:

- On the first Rs.100 Crore of the daily net assets - 2.25%
- On the next Rs.300 Crore of the daily net assets - 2.00%
- On the next Rs.300 Crore of the daily net assets – 1.75%
- On the balance of the assets – 1.50%

(a) **Additional Expenses under Regulation 52 (6A):** brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions;
In accordance with SEBI circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, any payment towards brokerage and transaction cost, over and above the said 0.12% and 0.05% for cash market transactions and derivatives transactions respectively, may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 (6) of the SEBI (MF) Regulations, 1996.

(b) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least -
(i) 30 per cent of gross new inflows in the scheme, or;
(ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:
Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis;

The said additional expenses on account of inflows from beyond top 15 cities so charged shall be clawed back in the respective schemes, in case the said inflow is redeemed within a period of 1 year from the date of investment. The expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.

Service Tax
As per SEBI Circular No. CIR/IMD/DF/21/ 2012 dated September 13, 2012, Service tax shall be charged as follows:

- Service tax on investment and advisory fees shall be charged to the Scheme in addition to the maximum limit on TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- Service tax on other than investment and advisory fees, if any, shall be borne by the Scheme within the maximum limit on TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- Service tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the Scheme.
- Service tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the SEBI (MF) Regulations.

Investor Education and Awareness initiatives

As per SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall annually set apart at least 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Scheme within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken by the Fund.

The total expenses of the Scheme including the Investment Management and Advisory Fee shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations. Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC or by the Trustee or the Sponsor.

The current expense ratios will be updated on the Mutual Fund website on www.canararobeco.com within two working days mentioning the effective date of the change.

Any safety net or guarantee provided:

The Scheme does not provide any safety net or guarantee nor does it provide any assurance regarding the realization of the investment objective of the scheme or in respect of declaration of dividend. Further, the Scheme is "oriented towards protection of capital" and not "with guaranteed returns". Further, the orientation towards protection of the capital originates from the portfolio structure of the scheme and not from any bank guarantee, insurance cover etc.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) there under or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

G) HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

CRISIL MIP Blended Index
As approved by the Board of Trustees, CRISIL MIP Blended Index is the Benchmark selected for the Fund. However The Trustees reserve the right to change the benchmark if due to a change in market conditions, a different index appears to be providing a more appropriate basis for comparison of fund performance or if the indicated benchmark ceases to exist or undergoes a substantial change that renders it an ineffective base for performance comparison and analysis. Any change in the Benchmark Index for the Scheme would be actuated only post approval from Board of Trustees.

H) WHO MANAGES THE SCHEME

Name	Age (in yrs)	Qualifications	Experience	Other Schemes Managed
Mr. Krishna Sanghavi Senior Fund Manager – Equities	40	B.Com, I.C.W.A., M.M.S. (Finance).	• Head Equities - Kotak Mahindra Asset Management Co. Ltd., Mumbai(Feb 2006- Sep 2012) • Vice President - Kotak Mahindra Old Mutual Life Insurance Co. Ltd.(Jan 2001 – Feb 2006)	Canara Robeco Equity Tax Saver, Canara Robeco FORCE fund*, Canara Robeco Emerging Equities**, Canara Robeco Balance^, Canara Robeco Capital Protected Oriented Scheme Series 2 (Plan A)^^, Capital Protected Oriented Scheme Series 3^^
Ms. Suman Prasad	37	PGDMS(Finance)	• More than 8 years of funds management experience in the fixed income space, apart from a rich experience in the Asset Management industry • Total of more than 14 years of work experience, all of it in the folds of this company and its predecessor Canbank Investment Management Services	Canara Robeco Short Term Fund, Canara Robeco Liquid~, Canara Robeco Treasury Advantage Fund~, Canara Robeco Savings Plus Fund~ Canara Robeco Capital Protected Oriented Scheme Series 2 (Plan A)~~, Canara Robeco Short Term and Canara Robeco Gilt Advantage Fund, Canara Robeco Capital Protected Oriented Scheme Series 3~~,Canara Robeco Capital Protected Oriented Scheme Series 4~~,Canara Robeco Yield Advantage**

* Jointly with Mr. Hemang Kapasi
**Jointly with Mr. Ravi Gopalakrishnan
^Jointly with Mr. Avnish Jain

^^ Jointly with Ms. Suman Prasad
~~ Jointly with Mr. Krishna Sanghavi
~Jointly with Mr. Girish Hisaria

I) WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to the "SEBI Regulations", the following investment and other limitations are presently applicable to the Scheme, as the case maybe:

1. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities
2. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard. The Scheme shall not indulge in short selling of securities.
3. The securities purchased by the Fund shall be got transferred in the name of the Mutual Fund on account of the concerned Scheme, wherever investments are intended to be of long term nature.
4. 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 Board of Trustees and the Board of Asset Management Company, provided that such limit shall not be applicable for investments in Government Securities.
5. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form
6. The Scheme shall not 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.
7. The Mutual Fund under all its Scheme(s) will not own more than ten percent of any Company's paid up capital carrying voting rights.
8. The Scheme shall not advance any loan for any purpose.
9. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, the Mutual Fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board. The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:
   i. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
   ii. Such short-term deposits shall be held in the name of the Scheme.
   iii. The Scheme(s) shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
   iv. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
   v. The Scheme(s) shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
   vi. The Scheme(s) shall not park funds in short-term deposit of a bank, which has invested in the Scheme.
10. 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
11. The scheme shall not invest more than 10% of its NAV in the unlisted equity shares or equity related instruments in case of open ended scheme.
12. Investment in other Schemes : The investment by this Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which :
    - The Scheme/s may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the

Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.

- The Scheme/s shall not make any investment in any fund of fund scheme

13. The Scheme/s shall not make any investment in:
    - Any unlisted security of an associate or group company of the sponsor; or
    - Any security issued by way of private placement by an associate or group company of the sponsor; or
    - The listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
    - Foreign securities
    - Securitized debt
    - Fund of Funds Schemes
14. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of redemption of units or payment of interest and dividend to the unit holders, provided that the fund shall not borrow more than 20% of the net assets of the individual scheme and the duration of the borrowing shall not exceed a period of 6 months.
15. 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.
16. The total exposure, in a particular sector (excluding investments in Bank CDs, Short Term deposits in schedule commercial banks, CBLO, G-Secs, 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. For the purposes of sector exposure limits, AMFI sector classification of issuers would be considered.
    Provided that the Scheme may have an additional exposure to financial services sector (over and above the sector limit of 30%) not exceeding 10% of the net assets of the Scheme by way of increase in exposure to Housing Finance Companies (HFCs). 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 (NHB) and the total investment/ exposure in HFCs shall not exceed 30% of the net assets of the Scheme.
17. The Scheme shall invest only in such securities which mature on or before the date of the maturity of the scheme.
18. All investment restrictions stated above shall be applicable at the time of making investment.
    Apart from the Investment Restrictions prescribed under the Regulations, internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.
    The AMC/ Trustee may alter these above stated restrictions from time to time to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective.
    The Trustees of the Mutual Fund may alter these limitations / objectives from time to time to the extent the SEBI Regulations change so as to permit the Scheme/s to make its investments in the full spectrum of permitted investments for the mutual fund in order to achieve its investment objectives. All investments of the Scheme will be made in accordance with the SEBI Regulations, including Seventh Schedule thereof.

AMC's investments in the Scheme: The AMC may invest in the scheme, such amount, as they deem appropriate. But the AMC shall not be entitled to charge any management fees on this investment in the scheme. Investments by the AMC will be in accordance with Regulation 24(3) of the SEBI (MF) Regulations, 1996 which states that:

> "The asset management company shall not invest in any of its schemes unless full disclosure of its intention to invest has been made in the offer document, provided that the asset management company shall not be entitled to charge any fees on its investment in the scheme."

Underwriting by the Scheme

The scheme will not accept underwriting and sub underwriting obligations.

Policy for Inter-scheme Transfers

The Scheme may purchase / sell securities under the Scheme through the mode of Inter-Scheme Transfers, if such a security is under the buy / sell list of this Scheme and is on the sell / buy list of another Scheme under the Fund. Under such circumstances, the transactions will be effected based on the prevailing market price on spot basis and in conformity with Regulations. The valuation of untraded / unquoted securities and debt instruments shall be done in accordance with the general valuation policies of the Fund.

19. Apart from the investment restrictions enumerated above, the following additional restrictions shall also be applicable to the Scheme.

The Scheme shall not invest more than 20% of its net assets in debt instruments rated by **CARE** as this agency has provided rating to this scheme.

The above restriction shall not apply to Government of India Securities (Sovereign Debt), rated debt instruments issued by Public Sector Undertakings (PSU). For the purpose of determining the PSU, it is emphasized that the equity holding of the Government of India in such PSUs is 51% or more.

The Scheme shall not invest in Debt Securities which are not rated. Investments will be made only in securities carrying the highest credit rating accorded by an approved credit rating agency.

Further, the scheme shall invest only in such securities which mature on or before the date of the maturity of the scheme. In case of securities with put options, the maturity shall be reckoned with respect to the final maturity date and not the "put option" date. Further, debt component of the portfolio ***required for capital protection*** will have highest investment grade rating;

The yield on debt securities at the time of purchase shall not be more than 100 bps to the benchmark yield as stipulated under CRISIL& **CARE** Bond Matrix as applicable to AAA instruments. However, this shall not apply for purchase of securities issued by Government of India and Public Sector Undertakings. The restriction shall be applicable at the time of investment and not thereafter. Thus, if the Fund Manager has invested in a security based upon the above parameter and then the yield moves beyond 100 bps, the Fund Manager shall not be liable to liquidate those securities;

The Scheme shall not invest in debt instruments issued by companies in the Real Estate, Construction and Gems & Jewelries sectors. Depending up on the changes in the investment environment, the AMC may consider other sectors/companies for applying such restrictions from time to time.

J) HOW HAS THE SCHEME PERFORMED?

The Scheme being offered under this Scheme Information Document is a new scheme and currently 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)

New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	NFO opens on: 09th March, 2015 NFO closes on: 20th March, 2015 *(The Trustee reserves the right to extend the closing date, subject to the condition that the New Fund Offer shall not be kept open for more than 15 days. Any such extension shall be announced by way of a notice in one national newspaper)* **The maturity period will be calculated from the date of allotment of units. However if the maturity date falls on a non working day, the succeeding working day shall be considered for the purpose of maturity date.*
New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.	Face Value of Rs. 10/- per Unit
Minimum Amount for Application in the NFO	Minimum amount: Rs. 5,000.00 and multiples of Rs.10.00 thereafter.
Minimum Target amount	Rs. 20.00 Crore (Rs. Twenty Crores) 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. However, if AMC fails to refund the amount within 5 business days from the date of closure of NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry 5 business days from the date of closure of the subscription period.
Plan / Options	Regular Plan-Growth, Dividend (Payout) Direct Plan - Growth, Dividend (Payout) **Default Option**: In case of valid applications received without indicating any choice of options, it will be considered as option for Growth Option and processed accordingly. **Regular Plan:** Regular Plan is for investors who purchase /subscribe Units in the scheme through a Distributor. **Direct Plan:** Direct Plan is only for investors who purchase /subscribe Units in the Scheme directly with Canara Robeco Mutual Fund and is not available for investors who route their investments through a Distributor (AMFI registered distributor / ARN Holder). The Direct Plan shall have a lower expense ratio as compared to the Regular Plan to the extent of distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan. Canara Robeco Mutual Fund shall have separate "Application Forms" for investors subscribing under Regular Plan & Direct Plan. Investors applying under Direct Plan can also fill the Regular Plan form, but should clearly indicate "Direct" in the ARN column of the application form. Also, where application is received for Regular Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan.

	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. **Growth Option** Under this option, no dividends will be declared. The income attributable to units under this option will continue to remain invested and will be reflected in the NAV of the units under this option. **Dividend Payout Option** Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unit holders whose names appear in the Register of Unit holders on the notified record date. The Trustee / AMC reserves the rights to change the record date from time to time. However, it must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI (MF) Regulations. The decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor will that dividends be paid regularly. In order to be a Unit holder, an investor has to be allotted Unit against receipt of clear funds by the Scheme. On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.
Dividend Policy	The Scheme may distribute, surplus if any, by way of dividend/, as may be decided by the Trustees from time to time. **If there is no distributable surplus or surplus amount is too small for distribution, in the opinion of the Trustees, the Dividend declaration may not take place. The Scheme is not assuring or guaranteeing any dividend or returns.** Income Distribution, if declared, warrants will be issued within 5 working days from the date of declaration of Income Distribution. The Income Distribution will be paid out of the Net surplus of the Scheme, to those unit holders whose names appear in the register of unit holders on the date to be notified for the purpose. Pursuant to payment of dividend, the NAV of the dividend option of the Scheme would fall to the extent of payout and statutory levy (if applicable) If AMC fails to pay the amount within 30 days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 30 days till the date of dispatch of the dividend. **Dividend Distribution Procedure** In accordance with SEBI Circular no. SEBI/ IMD/ Cir No. 1/ 64057/06 dated April 4, 2006, the procedure for Dividend Distribution would be as under: 1. Quantum of dividend and the record date will be fixed by the Trustee. Dividend so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the dividend including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of unit holders for receiving dividends. The Record Date will be 5 calendar days from the issue of notice.

	4. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). 5. The NAV will be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date. 6. Before the issue of such notice, no communication indicating the probable date of dividend declaration in any manner whatsoever will be issued by Mutual Fund.
Allotment	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. Allotments made will be subject to realization of payment instrument and subject to the AMC having been reasonably satisfied of having received clear funds. Also, note that the allotment of units will not be made in decimals/fractions. The units will be converted to the nearest whole number at the time of allotment of units for NFO applicants to be in adherence to the tradable lot of one unit on the Stock Exchange. The balance amount represented by fractional units will be refunded to the investor. **Allotment Confirmation / Consolidated Account Statement (CAS):** AMC shall send allotment confirmation specifying the number of units allotted to the investor by way of email and/or SMS's to the investors' registered email address and/or mobile number not later than 5 (five) business days from the date of closure of the New Fund Offer Period. A Consolidated Account Statement (CAS) shall also be sent to the unitholder in whose folio transactions have taken place during that month, on or before 10th of the succeeding month by e-mail/mail. In case of specific request received from investors, Mutual Fund will provide an account statement to the investors within 5 (five) Business Days from the receipt of such request. No Account Statements will be issued to investors opted to hold units in electronic (demat) mode, since the statement of account furnished by depository participant will contain the details of transactions. **Unit Certificates:** Normally no unit certificates will be issued under the Scheme. However, if the unitholder so desires, the AMC shall issue a unit certificate to the unitholder within 30 days of the receipt of request for the certificate. The cost of stamp duty paid for issuing the unit certificate will form part of the annual ongoing expenses and/or may be recovered from the Unitholder. However, such unit certificates are not tradable with the Stock Exchange. **Dematerialization / Rematerialization of Units:** The Applicants intending to hold the Units in dematerialized mode will be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units during the NFO of the Scheme. The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. It may be noted that trading and settlement in the Units of the scheme over the stock exchange(s) (where the Units are listed) will be permitted only in electronic form.

	If the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. However, the Trustee / AMC reserves the right to change the dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996.
Refund	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 from the closure of NFO, interest @ 15% p.a. for delay period will be paid and charged to the AMC. In the event of Applications not being complete in all respects and the consequent non allotment, the Scheme will refund the Application Money to the applicant(s), by Post and by way of Cheque or Demand Draft marked `A/c Payee'.
Who can invest 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.	• Adult Individual(s) and also minor(s) through their parent/guardian. (Application of minors jointly with adults not allowed). • Adult Individual(s) jointly not exceeding three, on first holder or survivor/s basis. • Hindu Undivided Family (HUF) • Partnership Firms • A Company as defined in the Companies Act, 1956, Public Sector Undertakings. • A Body Corporate established by or under any law in force in India • A Co-operative Society registered under any law relating to Co-operative Societies in India • A Religious or Charitable Trust / Wakfs or a Society established under the relevant laws and authorised to invest in Mutual Fund Schemes • Foreign Institutional Investors (FIIs) registered with SEBI • Foreign Portfolio Investor (Foreign Portfolio Investor (FPI) as defined under Regulation 2(1)(h) of Security Exchange Board of India(Foreign Portfolio Investors) Regulations, 2014 . • Banks and Financial Institutions • Pension Funds/Pension Fund Managers • Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) on repatriation / non-repatriation basis • Army, Air Force, Navy and other para-military units and bodies created by such institutions. Scientific and Industrial Research Organisations • Multilateral Funding Agencies / Body Corporates incorporated outside India with the permission of Government of India / Reserve Bank of India • Qualified Foreign Investor (QFI) as per SEBI circular CIR / IMD / DF / 14 / 2011 dated August 9, 2011 as and when applicable • Other Schemes of the Fund subject to the conditions and limits prescribed under SEBI Regulations • Any other category of investors that may be permitted by the Trustees as per the Indian Laws in future. • NRIs and PIOs

	Notes : 1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad /Overseas Citizens of India (OCI) / Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations. 2. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories / officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. The Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact. 3. Investors desiring to invest / transact in mutual fund schemes are required to comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address such as copy of the Memorandum and Articles of Association / bye-laws/trust deed/partnership deed/ Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund / AMC / Trustees / other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/ authorised by the Constitution document/ their Board of Directors etc. to make the investment / transact. Further, the Investor shall be liable to indemnify the Fund / AMC / Trustee / other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and / or the applicant who has applied on behalf of the Investors. The Fund / AMC / Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. 4. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. 5. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme. 6. No request for withdrawal of application will be allowed after the closure of New Fund Offer Period. 7. Subject to the SEBI (MF) Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. The Trustee may inter-alia reject any application for the purchase of

	Units if the application is invalid or incomplete or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unitholders to accept such an application.
Who cannot invest	• Pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds. • NRIs and foreign nationals residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time. • NRIs and PIOs who are residents of the United States of America/defined as United States Persons under applicable laws/ statutes and the residents of Canada and USA • Such other persons as may be specified by AMC from time to time.
Where can you submit the filled up applications.	During the NFO period the applications filled up and duly signed by the applicants should be submitted at the office of the Collection Centers / Investor Service Centers / Official Points of Acceptance, whose names and addresses are mentioned on last page of the SID. **ASBA:** In addition to the above all applicants can participate in the NFO through the ASBA process. For using ASBA facility investors should approach self certified syndicate banks (SCSBs) providing ASBA facility and submit ASBA application to them. The NFO application money will be blocked from the respective bank account of the investor and will be debited only on allotment of units in his/her name. ASBA applications can be submitted only at Self Certified Syndicate Bank (SCSB) at their designated branches. List of SCSBs and their designated branches shall be displayed on the SEBI's website (www.sebi.gov.in).For using ASBA facility investors should approach Self Certified Syndicate Banks (SCSBs) providing ASBA facility and submit the ASBA application form authorizing blocking of funds from the bank account specified in the ASBA Application Form. Investors applying through the ASBA facility should fully read the applicable provisions before making their application. For further details on ASBA facility, investors are requested to refer to Statement of Additional Information (SAI).
How to Apply	Please Refer the SAI and application form for further details and instructions. **Please note that it is mandatory for unit holders to:** 1. Mention their bank account numbers in their application for purchase of units and redemption requests. 2. Mention their Permanent Account Number (PAN) in their application.
Listing	The scheme being offered through this Scheme Information Document is a close ended Scheme and the units offered under the Scheme will be listed on one or more recognized stock exchanges as may be decided by AMC within 5 business days from the date of allotment. As the units will be listed on stock exchanges, investors/ unitholders can buy / sell units on a continuous basis on the stock exchanges during the trading hours like any other publicly traded stock at market prices. The minimum number of Units that can be bought or sold on the Exchange is 1 (one) unit. Unitholders who wish to trade in units would be required to have a demat account. All investors may buy/sell Units on the Stock Exchange on all the trading days as per the settlement cycle of the Stock Exchange. As per SEBI Circular no. CIR/MD/DF/10/2010 dated 28th August, 2010, in order to facilitate transferability of units held in one demat account to another demat account; units of the scheme held in demat form shall be freely transferable.

	Although Units are to be listed on Stock Exchange, there can be no assurance that an active secondary market will develop or be maintained. The AMC and the Trustees will not be liable for delay in trading of Units on Stock Exchange due to the occurrence of any event beyond their control. As per SEBI circular SEBI/IMD/CIR No. 12/147132/08 dated December 11, 2008 Trustees have obtained in-principle approval for listing of schemes from National Stock Exchange of India Ltd.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The AMC reserves the right to reject the subscription/ application for units of the Scheme during NFO, depending on the prevailing market conditions and to protect the interest of the Investors. Investors may, however, offer the units for repurchase any time and such repurchases are subject to exit load and subject to restrictions on repurchase mentioned elsewhere in this document. Trustees shall approve such restrictions which shall be intimated to SEBI and shall be notified to all unit holders by publishing the same in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. **Pledge of Units** The Units under the Scheme may be offered as security by way of a pledge / charge in favour of a scheduled bank, financial institution, non-banking finance company (NBFC), or any other body for obtaining loans. The AMC shall mark a lien on receiving the duly completed documents as it may specify in this regard. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Fund assumes no responsibility thereof. The Pledger will not be able to redeem the pledged units until the Pledgee provides a written authorization to the Fund that the lien /charge may be removed. During the currency of the pledge, the Pledgee will have complete authority to redeem such Units. Dividends declared on Units under lien will be paid to the credit of / re-invested in the name of the unit Holder and will be sent to the Pledgee, unless otherwise specified in the lien letter. **Lien on Units** On an ongoing basis, whenever existing or new Investors make subscriptions, the Fund will have lien on the allotted units and such units shall not be available for redemption until the subscription amount is realised by the Fund. In case a unit holder redeems units soon after making purchase, the redemption cheque will not be dispatched until the cheque /draft tendered towards subscription has been cleared. In case of dishonor of payment by the bank, the transaction shall be reversed and the units allotted earlier shall be cancelled, and a fresh Account Statement evidencing such cancellation shall be dispatched to the Unit holder. For NRIs, the Fund may mark a lien on the units and will not permit redemptions unless requisite documents as specified in SID are submitted. The AMC reserves the right to change operational guidelines for lien on units from time to time.
Special Products / facilities available during the NFO	**Inter-Scheme Switching Option** The Mutual Fund provides the investors the flexibility to switch their investments (subject to provisions as regards minimum application amount referred above) from any other open ended scheme(s) / plan (s) or close ended scheme offered by the Mutual Fund to this scheme during the New Fund Offer period. This Option will be useful to Unit holders who wish to alter the allocation of

	their investment among the open ended scheme(s) / plan(s) of the Mutual Fund (subject to completion of lock-in period, if any, of the units of the scheme(s) from where the units are being switched) in order to meet their changed investment needs. The Switch will be effected by way of a Redemption of Units from the Scheme / Plan and a reinvestment of the Redemption proceeds in an open-ended scheme / plan and accordingly, to be effective, the Switch must comply with the Redemption rules of the Scheme and the issue rules of the other scheme (for e.g. as to the minimum number of Units that may be redeemed or issued, Exit / Entry Load, lock-in period, etc). The price at which the Units will be Switched out of the scheme will be based on the Redemption Price, and the proceeds will be invested in the scheme at the Offer price for units in the scheme. **Subscription through Stock Exchange Platform for Mutual Funds:** Investors are requested to note that, in addition to the existing modes for transactions, investors can transact through Mutual Fund Service System (MFSS) platform of National Stock Exchange of India Limited (NSE) during NFO. Under this facility, trading member can facilitate eligible investors (i.e. Resident Individuals, HUF, resident minors represented by guardian and Body corporate or such other class of eligible investors as may be qualified as per the guidelines issued by relevant stock exchange) to purchase / subscribe to units of the scheme using their existing network and order collection mechanism as provided by respective stock exchange. Investors availing of this facility shall be allotted units in accordance with the SEBI guidelines issued from time to time and the records of the Depository Participant shall be considered as final for such unitholders. Investors should note that the said stock exchange platform(s) shall not be available to the investors for purpose of trading in units of the scheme post listing of units on NSE. The transactions carried out on the above platform shall be subject to such guidelines as may be issued by the respective stock exchanges and also SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued there under from time to time. **TRANSACTIONS THROUGH "CHANNEL DISTRIBUTORS** Investors may enter into an agreement with certain distributors (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website / other electronic means or through Power of Attorney in favor of the Channel Distributor, as the case may be. Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/ redemptions/switches) of their various investors and forward the same electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant schemes. The Channel Distributor is required to send copy of investors' KYC proof and agreement entered into between the investor & distributor to the RTA (one time for central record keeping) as also the transaction documents / proof of transaction authorization as the case may be, to the AMC / RTA as per agreed timelines. In case KYC proof and other necessary documents are not furnished within the stipulated timeline, the transaction request shall be liable to be rejected. Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the specified bank account of the Fund. The Redemption proceeds (subject to deduction of tax at source, if any) and dividend

	payouts, if any, are paid by the AMC to the investor directly through direct credit in the specified bank account of the investor or through issuance of payment instrument, as applicable. It may be noted that investors investing through this mode may also approach the AMC / Official Point(s) of Acceptance directly with their transaction requests (financial / nonfinancial) or avail of the online transaction facilities offered by the AMC. The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors/distributors through above mode. **ONLINE TRANSACTION ON THE WEBSITE:** Facility of online transactions is available on the official website of Canara Robeco Mutual Fund i.e. www.canararobeco.com. Consequent to this, the said website is declared to be an "official point of acceptance" for applications for subscriptions, redemptions, switches and other facilities .The Uniform Cut-off time as prescribed by SEBI and as mentioned in the Scheme Information Documents of respective schemes shall be applicable for applications received on the website. However, investors should note that transactions on the website shall be subject to the eligibility of the investor, any terms & conditions as stipulated by Canara Robeco Mutual Fund/Canara Robeco Asset Management Company Limited (CRAMC) from time to time and any law for the time being in force. **Optional automatic switch of redemption proceeds on maturity (Auto Maturity Switch)** The Mutual Fund provides the investors the flexibility to switch their redemption proceeds receivable on maturity of the scheme to any of the Plan/Option of Canara Robeco Treasury Advantage Fund (CRTAF), as may be specified by the investor in the application form. In case the investor fails to specify his preference with respect to Plan/Option of CRTAF into which the maturity proceeds are to be switched into, the default plan/option shall be as per the SID of CRTAF. **The Investor can choose to avail of this facility only at the time of making the application to subscribe to the units of the scheme by signing separately in the designated space in the application form and confirming their intention to avail auto maturity switch.** In case of any inconsistency in selection of option viz, Payout of redemption proceeds on maturity of scheme or Auto Maturity switch, payout of redemption proceeds shall be considered as default mode. Further, investor shall also have an option to alter his preference from auto maturity switch to Payout of redemption proceeds by submitting a written request, at any time during the tenure of the scheme, not later than 10 working days prior to the maturity of the scheme. To make the switch effective, investor needs to hold all the units till maturity of the scheme. The switch shall be subject to the applicable terms and conditions of both the switch-out scheme and switch-in scheme as regards the minimum number of Units that may be redeemed or issued, Load etc.
Foreign Account Tax Compliance	FATCA is an acronym for Foreign Account Tax Compliance Act ("FATCA"), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments. The Government of India and the United States of

	America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC/Fund are likely to be classified as a 'Foreign Financial Institution' (Investment Entity as per Annexure 1(i)) under the FATCA provisions. In accordance with FATCA provisions, the AMC/Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information/documentary evidences of the US and/or non-US status of its investors/Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns and/or to US Internal Revenue Service (IRS) or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS pursuant to the new reporting regime under FATCA.

B. ONGOING OFFER DETAILS

Ongoing Offer Period This is the date from which the scheme will open for trading on the National Stock Exchange after the closure of the NFO period.	Being a close-ended Scheme, investors can subscribe to the Units of the Scheme during the New Fund Offer Period only and the scheme will not reopen for subscriptions after the closure of NFO.
Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for purchase/switch-in.	Not applicable. Being close ended Schemes, investors can subscribe to Units of the Schemes through the Mutual Fund/AMC only during the NFO period. However, once the Units are listed, an investor can buy/sell Units of the Schemes on a continuous basis on the NSE.
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.	Being a close ended Scheme, Investors can subscribe to the Units of the Scheme during the New Fund Offer Period only and the Scheme will not re-open for subscriptions after the closure of NFO. The redemption facility would be provided only on Maturity. However, subsequent to closure of NFO and upon listing of Units on Exchange, buying or selling of Units by Unit holders / Investors can be made on the Exchange. Units can be bought or sold like any other listed stock on the Exchange at prevailing market prices. The minimum number of Units that can be bought or sold on the Exchange is one Unit. The Units' market prices may be at a premium/discount to its NAV. Dealings by the Unit holders / Investors on the Exchange will be also subject to Exchange Rules and Regulations.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	After close of NFO Period, the Fund will not provide facility for subscription / redemption /switches, and hence cut-off timing provisions do not apply. In case of switch-out proposed for investing the redemption proceeds upon maturity in another scheme of the Fund, the switch-out request will be accepted upto 3.00 p.m. on the Maturity Date. Dealings by the Unit holders / Investors on Exchange will be subject to Rules & Regulations generating the concerned Stock Exchange.
Where can the applications for purchase/redemption switches are submitted?	The Units will not be available for subscription/switch-in after the closure of the NFO period. Redemption/Switch-out is not permitted during the term of the Schemes. However, once the Units are listed, the Units can be sold by making such request in the prescribed form to the DP. Switch-out applications from the Schemes to any other scheme(s) of the Mutual Fund on the Maturity Date can be made at the Sales Offices of the AMC or Official Points of Acceptance of the R & T Agent.

Minimum amount for additional purchase /redemption. Fresh purchases/switches	Not applicable, as purchase/redemption/switch-out is not permitted during the term of the Schemes. The listed units will have to be sold in lots of 1 (one) unit or such other marketable lots as prescribed by the Exchange, from time to time.
Accounts Statements	• **For NFO period subscriptions:** On acceptance of the application for subscription, AMC shall send allotment confirmation specifying the number of units allotted to the investor by way of email and/or SMS's to the investors' registered email address and/or mobile number not later than 5 (five) business days from the date of closure of the New Fund Offer Period. **<u>Consolidated Account Statement (CAS):</u>** • A Consolidated Account Statement (CAS) shall be sent to the unitholder in whose folio transactions have taken place during that month, on or before 10th of the succeeding month by e-mail/mail. CAS shall contain details relating to all the transactions** carried out by the investor, including details of transaction charges paid to the distributor, if any, across all schemes of all mutual funds, during the month and holding at the end of the month. **The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, and Systematic Investment Plan, Systematic Withdrawal Plan, Systematic Transfer Plan and bonus transactions. • The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&T. In case of specific request is received from investors, account statement shall be issued to the investors within 5 (five) business days from the receipt of such request without any charges. • In the event the account has more than one registered holder, the first named Unitholder shall receive the CAS/account statement. • For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). • The transactions viz. purchase, redemption, switch, dividend payout, etc., carried out by the Unitholders shall be reflected in the CAS on the basis of Permanent Account Number (PAN). • The CAS shall not be received by the Unitholders for the folio(s) not updated with PAN details. The Unitholders are therefore requested to ensure that the folio(s) are updated with their PAN. • No Account Statements will be issued to investors opted to hold units in electronic (demat) mode, since the statement of account furnished periodically by respective Depository Participants (DPs) will contain the details of transactions. **Account Statement for demat account holders:** Investors shall receive the demat account statement /demat holding statement directly from the DP with whom the investor holds the DP account. The statement issued by the DP will be deemed adequate compliance with the requirements in respect of dispatch of Statement of Account. In case of any specific requirements/queries on the account statement, investor should directly contact the respective DP's. **Annual Account Statement:** • The Mutual Funds shall provide the Account Statement to the unit holders 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, • 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 statement, if so mandated. **Half Yearly Consolidated Account Statement:** • A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/ March), on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period shall be sent by mail/email. • The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive in physical. Unit holders who receive account statements by e-mail may download the documents after receiving e-mail from the Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Fund to enable the Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.
Dividend	The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.
Redemption	No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchanges. Unit Holders who do not opt for allotment of units in electronic from or where the units are not credited to the beneficiary account(s) can dematerialize their holdings and then exit the scheme by selling their units through the stock exchange. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days, subject to availability of all relevant documents and details. ***Switch-out*** **-** Unit holders also have the option to switch out of the Scheme; but such switch out will be permitted only on maturity of the Scheme. The Switch-out will be permitted into another scheme (Target Scheme) subject to the terms and conditions and applicable NAV of the Target Scheme. The switch – out will be effected by way of redemption of Units in the Scheme (on maturity) and investment of the redemption proceeds in Target Scheme opted for by the Unit holder.
Delay in payment of redemption / repurchase proceeds	The Asset Management Company shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

C. PERIODIC DISCLOSURES

Net Asset Value This is the value per unit of the Scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	The NAV will be calculated and disclosed at the close of every Business Day which shall be published in at least two daily newspapers and also uploaded on the website of AMFI at www.amfiindia.com and website of Canara Robeco Mutual Fund at www.canararobeco.com by 9.00pm *(time limit for uploading NAV as per applicable guidelines)* and website of Canara Robeco Mutual Fund at www.canararobeco.com. In case of any delay in uploading the NAV on AMFI website, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs. In addition, the NAV, Sale and Repurchase rates for all business days will be available at our Branch Offices
Half yearly Disclosures: Financial Results / Portfolio This is a list of securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The Mutual Fund shall host half yearly disclosures of the Schemes' unaudited financial results in the prescribed format on its website viz. www.canararobeco.com within one month from the close of each half year i.e. on 31st March and on 30th September.AMC shall publish an advertisement disclosing the hosting of such financial results on its website, in atleast 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. The unaudited financial results will also be displayed on the website of AMFI. **Portfolio:** The Mutual Fund shall before the expiry of one month from the close of each half year i.e. March 31 and September 30, send to all Unit holders a complete statement of its Scheme portfolio. Provided that the statement of Scheme portfolio may not be sent to the Unit holders if the statement is published, by way of an advertisement, in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The disclosure of Portfolio shall be made in the format prescribed by SEBI. The statement of portfolio shall also be displayed on the website of the Mutual Fund.
Monthly Portfolio Disclosure	As presently required by the SEBI Regulations, the portfolio of the schemes shall be available in a user-friendly and downloadable format on the website of AMC (www.canararobeco.com) on or before the tenth day of the succeeding month.
Annual Report	The Scheme wise annual report or an abridged summary thereof shall be sent: (i) by e-mail to the Unit holders whose e-mail address is available with the Fund, (ii) in physical form to the Unit holders whose email address is not registered with the Fund and/or those Unit holders who have opted / requested for the same. The scheme wise annual report or an abridged summary shall be sent by mail/e-mail not later than four months from the date of closure of the

	relevant accounting year (i.e. 31st March each year). The physical copy of the scheme wise annual report or abridged summary thereof shall be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary thereof shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI).
Associate Transactions	Please refer to Statement of Additional Information (SAI).
Taxation The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorized dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.	Please refer to Statement of Additional Information (SAI).
Investor services	Mr. M Paparao Investor Relation Officer, Canara Robeco Asset Management Co. Ltd. 4th Floor, Construction House, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001 Tel No. (022) 6658 5000 Fax (022) 6658 5012/13 E-Mail : crmf@canararobeco.com

D. COMPUTATION OF NAV

The computation of NAV, valuation of securities / assets, accounting policies and standards would be in conformity with the SEBI (Mutual Funds) Regulations, 1996 and guidelines issued from time to time. The NAV per unit shall be calculated as follows:

$$\frac{\text{Market or Fair Value of Scheme's investments} + \text{Current assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}} = \textbf{NAV (Rs.)}$$

The price arrived shall be rounded off up to four decimals.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the schemes:

A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. These expenses will 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 the following percentage of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund **www.canararobeco.com**. Any expenses beyond the limits shall be borne by the AMC.

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.25%
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 and derivative market trades resp.	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	Upto 2.25%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

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.

At least 5% of the TER is charged towards distribution expenses / commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses / commission (at least 5%) 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.
The purpose of the above table is to assist the Investor in understanding the various costs and expenses that an Investor in the Scheme will bear directly or indirectly. The figures in the table above are estimates. The actual expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI (MF) Regulations.

As per the Regulation 52, the investment management fee and total annual scheme recurring expenses chargeable to the Scheme are as under:

- On the first Rs.100 Crore of the daily net assets - 2.25%
- On the next Rs.300 Crore of the daily net assets - 2.00%
- On the next Rs.300 Crore of the daily net assets – 1.75%
- On the balance of the assets – 1.50%

(a) **Additional Expenses under Regulation 52 (6A):** brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions;
In accordance with SEBI circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, any payment towards brokerage and transaction cost, over and above the said 0.12% and 0.05% for cash market transactions and derivatives transactions respectively, may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 (6) of the SEBI (MF) Regulations, 1996.

(b) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least -
(i) 30 per cent of gross new inflows in the scheme, or;
(ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:
Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis;
The said additional expenses on account of inflows from beyond top 15 cities so charged shall be clawed back in the respective schemes, in case the said inflow is redeemed within a period of 1 year from the date of investment. The expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.

Service Tax
As per SEBI Circular No. CIR/IMD/DF/21/ 2012 dated September 13, 2012, Service tax shall be charged as follows:

- Service tax on investment and advisory fees shall be charged to the Scheme in addition to the maximum limit on TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- Service tax on other than investment and advisory fees, if any, shall be borne by the Scheme within the maximum limit on TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- Service tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the Scheme.
- Service tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the SEBI (MF) Regulations.

Investor Education and Awareness initiatives
As per SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall annually set apart at least 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Scheme within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken by the Fund.

The total expenses of the Scheme including the Investment Management and Advisory Fee shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations. Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC or by the Trustee or the Sponsor.

The current expense ratios will be updated on the Mutual Fund website on www.canararobeco.com within two working days mentioning the effective date of the change.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to redeem the units 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. For the current applicable structure, please refer to the website of the AMC www.canararobeco.com.

For Canara Robeco Capital Protection Oriented Fund- Series 5 the following load structure shall be applicable:

Entry Load :NIL • *SEBI vide its Circular No. SEBI / IMD / CIR No. 4 / 168230 / 09 dated June 30, 2009 has stipulated that there shall be no Entry Load for all mutual fund schemes. The upfront commission on investment made by the investor, if any, shall be paid to the distributor (AMFI registered distributor / ARN Holder) directly by the investor, based on the investor's assessment of various factors including service rendered by the distributor* Exit Load/ Switch-over load : Nil • No Exit Load is applicable during the term of the Scheme since no redemption is permitted with the AMC / Mutual Fund before maturity of the Scheme, being a close ended Scheme. However, the Units of the Scheme are listed on the National Stock Exchange of India Ltd. (NSE). Investors wishing to exit may do so through the Stock Exchange route as per rules specified by the Stock Exchange(s).

The above mentioned load structure shall be equally applicable to the special products offered by the AMC. Further, for switches between the Growth and Dividend Option or vice versa, no load will be charged by the scheme. For switches between the Plans i.e. between Regular and Direct Plan or vice versa, no load will be charged by the scheme.

The distributors shall 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

Unitholder Transaction Expenses and Load

The Redemption Price however, will not be lower than 93% of the NAV. The difference between the Redemption 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.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS

Not applicable

E. TRANSACTION CHARGES (Only during NFO)

In accordance with SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011 and as amended from time to time, the AMC shall deduct the Transaction Charges on purchase / subscription 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 to receive the transaction charges for this Scheme type) as under:

First Time Mutual Fund Investor:

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.

Investor other than First Time Mutual Fund Investor:

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.

Transaction charges shall not be deducted for :

- purchases /subscriptions for an amount less than Rs. 10,000/-;
- Transaction other than purchases/ subscriptions relating to new inflows such as Switch/ STP/, etc.
- No transaction charges will be deducted for any purchase/subscription made directly with the Fund (i.e. not through any distributor/agent).
- Transactions carried out through the stock exchange mode.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

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

1. During the last three years, neither SEBI nor any other Regulatory body has awarded any penalty under SEBI Act or Regulations and there is no enquiry or adjudication proceeding/s, that are in progress against the Sponsors or any company associated with the Sponsors in any capacity including the AMC, the Board of Trustees or any of the Directors or key personnel of the AMC under the SEBI Act or any other Regulations. In addition, no penalties have been awarded for any economic offences and violation of securities laws.

2. (a) The Mutual Fund is defending and / or filed cases in the Special Court constituted under the Special Court (Trial of Offences relating to transactions in Securities) Act, 1992 in respect of the claims arising out of scam related transactions. The Fund has taken necessary steps as legally advised.
   (b) A Writ Petition is pending before the Hon'ble Kolkata High Court, for direction to prohibit the Fund from converting the close ended Cantriple+ Scheme into open ended and for direction regarding payment of three times the original investment. Cases are also pending before various Consumer Fora claiming three times the investment in Cantriple+ Scheme. The cases are at various stages of hearing. The Fund has taken necessary steps as legally advised.
   (c) There are about 25 consumer cases (including appeals) filed by various parties against the Fund in respect of various schemes of the Fund, which are pending.
   (d) Inspite of the Fund being a tax-exempt entity u/s 10(23 D) of the Income Tax Act, 1962, claims have been received from tax authorities on some of its investments in PTCs. The Fund has denied the said claims and taken necessary steps as legally advised.

   In respect of the cases mentioned above, the Mutual Fund / Investment Manager will abide by the final decision of the courts.

3. No criminal cases are pending against the Sponsors, any company associated with the Sponsors in any capacity, AMC, Board of Trustees, any of the Directors or key personnel. The Sponsors, Canara Bank, has over 3000 branches and Robeco Groep N V has several offices across the world. To the best of our knowledge and belief, no criminal cases which may affect the business of Mutual Fund are pending against the Sponsors or any company associated with the Sponsors in any capacity or any of the Directors or key personnel.

IMPORTANT NOTICE

"Notwithstanding anything contained in the Scheme Information Document the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines there under shall be applicable."

Trustees have approved the said scheme and have guaranteed the same to be a new scheme.