

# Mirae Asset Mutual Fund

## STATEMENT OF ADDITIONAL INFORMATION

### Investment Manager:

Mirae Asset Global Investments (India) Private Limited

### Trustee:

Mirae Asset Trustee Company Private Limited

### Registered & Corporate Office:

Unit No.606, Windsor Building, Off. C.S.T Road,

Kalina, Santacruz (East), Mumbai – 400098.

**Tel. No.:** 022-678 00 300. **Fax No.:** 022- 6725 3940 – 47.

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**This Statement of Additional Information (SAI) contains details of Mirae Asset Mutual Fund, its constitution and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).**

## TABLE OF CONTENTS

<b>I.</b>	<b>INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY</b>	<b>3</b>
<b>A.</b>	<b>CONSTITUTION OF THE MUTUAL FUND</b>	<b>3</b>
<b>B.</b>	<b>THE SPONSOR</b>	<b>3</b>
<b>C.</b>	<b>THE TRUSTEE</b>	<b>4</b>
<b>D.</b>	<b>SERVICE PROVIDERS</b>	<b>20</b>
<b>E.</b>	<b>CONDENSED FINANCIAL INFORMATION &amp; PERFORMANCE OF THE SCHEMES</b>	<b>23</b>
<b>II</b>	<b>HOW TO APPLY?</b>	<b>30</b>
<b>III.</b>	<b>RIGHTS OF UNITHOLDERS OF THE SCHEME</b>	<b>55</b>
<b>IV.</b>	<b>INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS</b>	<b>57</b>
<b>V.</b>	<b>TAX &amp; LEGAL &amp; GENERAL INFORMATION</b>	<b>67</b>
<b>A.</b>	<b>TAX TREATMENT OF INVESTMENTS IN MUTUAL FUND</b>	<b>67</b>
<b>A.1</b>	<b>TAX TREATMENT FOR EQUITY ORIENTED FUNDS</b>	<b>68</b>
<b>A.2</b>	<b>TAX TREATMENT FOR DEBT AND LIQUID FUNDS</b>	<b>71</b>
<b>B.</b>	<b>LEGAL INFORMATION</b>	<b>76</b>
<b>(1)</b>	<b>NOMINATION FACILITY</b>	<b>76</b>
<b>(2)</b>	<b>ANTI MONEY LAUNDERING</b>	<b>78</b>
<b>(3)</b>	<b>TRANSFER AND TRANSMISSION OF UNITS</b>	<b>79</b>
<b>(4)</b>	<b>DURATION OF THE SCHEME/ WINDING UP</b>	<b>80</b>
<b>(5)</b>	<b>PROCEDURE AND MANNER OF WINDING UP</b>	<b>80</b>
<b>(6)</b>	<b>SUSPENSION OF PURCHASE OF UNITS</b>	<b>81</b>
<b>(7)</b>	<b>UNCLAIMED REDEMPTIONS &amp; DIVIDEND AMOUNT</b>	<b>81</b>
<b>C.</b>	<b>GENERAL INFORMATION</b>	<b>81</b>
<b>(1)</b>	<b>UNDERWRITING:</b>	<b>81</b>
<b>(2)</b>	<b>SECURITIES LENDING:</b>	<b>82</b>
<b>(3)</b>	<b>BORROWING BY THE MUTUAL FUNDS:</b>	<b>82</b>
<b>(4)</b>	<b>INTER-SCHEME TRANSFER OF INVESTMENTS:</b>	<b>83</b>
<b>(5)</b>	<b>ASSOCIATE TRANSACTIONS:</b>	<b>83</b>
<b>(6)</b>	<b>MODE OF HOLDING</b>	<b>85</b>
<b>(7)</b>	<b>LIEN ON UNITS FOR LOANS</b>	<b>86</b>
<b>(8)</b>	<b>RIGHT TO LIMIT REDEMPTIONS OF UNITS</b>	<b>86</b>
<b>(9)</b>	<b>SCHEME TO BE BINDING ON THE UNIT HOLDERS</b>	<b>87</b>
<b>(10)</b>	<b>REGISTER OF THE SCHEME'S UNIT HOLDERS</b>	<b>87</b>
<b>(11)</b>	<b>WEBSITE</b>	<b>87</b>
<b>(12)</b>	<b>POWER TO MAKE RULES</b>	<b>88</b>
<b>(13)</b>	<b>POWER TO REMOVE DIFFICULTIES</b>	<b>88</b>
<b>(14)</b>	<b>OMNIBUS CLAUSE</b>	<b>88</b>
<b>(15)</b>	<b>DOCUMENTS AVAILABLE FOR INSPECTION</b>	<b>88</b>
<b>(16)</b>	<b>INVESTOR GRIEVANCES REDRESSAL MECHANISM</b>	<b>88</b>

**STATEMENT OF ADDITIONAL INFORMATION (SAI)**
**I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY**
**A. CONSTITUTION OF THE MUTUAL FUND**

Mirae Asset Mutual Fund (the “Mutual Fund”) has been constituted as a trust on October 11, 2007 under the provisions of the Indian Trusts Act, 1882 (2 of 1882) by Mirae Asset Global Investments Company Limited, as the Sponsor and Mirae Asset Trustee Company Private Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on November 30, 2007 vide Registration No. MF/055/07/03

**B. THE SPONSOR**

Mirae Asset Mutual Fund is sponsored by Mirae Asset Global Investments Co. Limited, a company incorporated in South Korea. Mirae Asset was established in 1997 and is South Korea’s leading independent financial services provider. With Asset Management as its core activity, Mirae Asset is engaged in a broad range of financial services including Investment Banking, Wealth Management and Life Insurance. Other significant activities of the group include Alternate Investment including Private Equity, Venture Capital and Real Estate.

Mirae Asset introduced the concept of mutual funds to Korea. It is the largest asset manager in Korea and is the pioneer of Systematic Investment Plan (known as Regular Savings Plan) in Korea and over the years has emerged as the undisputed leader in Korea.

Korea’s largest equity fund manager, Mirae Asset, is now a leading investor in Asian equities, with offices in Hong Kong, Singapore, Vietnam and rapidly expanding to other parts of the globe including the Europe and Americas. With its strong foundation in Asia and presence in major financial markets in this region, Mirae Asset has established a leadership position in the Asia Pacific region.

In a strategic move, Mirae Asset MAPS Global Investments Co. Ltd. has been merged into Mirae Asset Global Investments Co. Ltd. (the Sponsor) w.e.f. March 26, 2012. The merger has been approved by Financial Services Commission (FSC), South Korea and Mirae Asset Global Investments Co. Ltd., South Korea, continues to act as the Sponsor of the AMC.

The Sponsor has entrusted a sum of Rs 1,00,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund. Mirae Asset Global Investments Co. Limited is a part of Mirae Asset Financial Group (Mirae Asset). The Sponsor holds 100% of the paid up equity capital of the AMC.

Given below is a brief summary of the Sponsor's financials (amounts in Rs.):

<b>Financial Year</b>	<b>January 01, 2016 to December 31, 2016</b>	<b>January 01, 2015 to December 31, 2015</b>	<b>January 01, 2014 to December 31, 2014</b>
Total Revenue	13,987,632,602	13,107,955,999	13,084,560,750
Profit Before Tax	9,008,924,725	5,626,121,201	4,236,759,026
Profit After Tax	6,276,513,296	4,381,421,686	3,073,449,328
Legal Reserves*	14,876,717	14,876,717	15,333,534
Net Worth	76,005,215,859	64,010,179,357	63,500,119,810
Earnings per Share	466	326	225
Book Value per Share	5,569	4,677	4,700
Dividend	150,032,193	150,032,193	152,627,906
Paid-Up Capital (Equity)	3,846,979,308	3,846,979,308	3,913,536,044
Assets under Management (In Rupees Billion)	1,935,463	1,560,388	1,214,258

### C. THE TRUSTEE

Mirae Asset Trustee Company Private Limited (the “Trustee”) through its Board of Directors shall discharge its obligations as trustee of Mirae Asset Mutual Fund. The Trustees shall ensure that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC. The Trustee has been promoted by Mirae Asset Global Investments Company Limited. Mirae Asset Trustee Company Private Limited is registered under the Companies Act, 1956 and was incorporated on April 23, 2007. The Sponsors have executed a Trust Deed on October 11, 2007 appointing Mirae Asset Trustee Company Private Limited as Trustee Company of Mirae Asset Mutual Fund.

#### (I) DETAILS OF TRUSTEE DIRECTORS:

Name	Age / Qualification	Brief Experience
<b>Mr. V. B. Haribhakti</b> <b>(Independent Director)</b>	87 yrs/ F.C.A	Mr. V. B. Haribhakti has experience and expertise spanning more than six decades in accountancy, finance and financial services. At present he is the Chairman & Senior Partner of the renowned practicing firm M/s. Haribhakti & Co., Chartered Accountants. He provides overall supervision and guidance to partners in the firm. He is also a director on the following companies : <ul style="list-style-type: none"> <li>• Bajaj Electricals Ltd.</li> <li>• The Simplex Mills Realty Ltd.</li> <li>• Freepress House Ltd.</li> </ul>
<b>Mr. S. T. Gerela</b> <b>(Independent Director)</b>	79 yrs/ M.A., LL.B., C.A.I.I.B	Mr. S.T. Gerela has experience and expertise spanning more than three decades in finance and financial services. He has worked as Director – Business Development, CEO – Clearing & Settlement, and General Manager – Surveillance and Inspection with Bombay Stock Exchange (BSE). At present, he is the CEO of SATCO Securities Limited which has secured membership of prominent stock exchanges such as NSE Ltd., BSE Ltd. and MCX Ltd. He oversees vital operations including membership services and business development functions, clearing functions, and risk management.  Mr. Gerela has been credited with creating and documenting a process-oriented approach to the Surveillance and Inspection Department of the Bombay Stock Exchange (BSE). He is also a director on the following company : <ul style="list-style-type: none"> <li>• Satco Capital Markets Ltd.</li> <li>• APL Apollo Tubes Ltd.</li> <li>• Satco Commodities Company Private Limited</li> <li>• Shri Lakshmi Metal Udyog Ltd.</li> <li>• Apollo Metalax Pvt. Ltd.</li> </ul>
<b>Mr. K. Ramasubramanian</b>	75 yrs / M.Sc., PGDBA	Mr. K. Ramasubramanian is a renowned consultant who specializes in foreign exchange, and is a

Name	Age / Qualification	Brief Experience
<b>(Independent Director)</b>		<p>respected visiting faculty in various reputed institutions. He was General Manager of the Foreign Exchange Department in the Reserve Bank of India, and was instrumental in implementing FEMA throughout the country.</p> <p>He is also a director on the following company :</p> <ul style="list-style-type: none"> <li>• Innovasynth Investments (P) Ltd.</li> <li>• Innovasynth Technologies</li> <li>• Patel Engineering Ltd.</li> </ul>
<b>Mr. Mahesh L. Soneji (Independent Director)</b>	66 years / FCS, M.S. in Law (Commercial Laws), Diploma in Taxation Laws and Practice, Diploma in Financial Management	<p>Mr. M. L. Soneji is a fellow member of Institute of Company Secretaries of India and has overall 13 years of experience in the field of financial service industry. Mr. M. L. Soneji was associated with National Institute of Securities Markets as a Registrar, established by SEBI, for imparting education, training and research in the areas of securities markets, from December 2009 till mid-July, 2012. Mr. Soneji has also worked in senior positions with various exchanges like Bombay Stock Exchange Ltd as Managing Director &amp; CEO and Sr. Vice President with the National Stock Exchange Limited. Mr. Soneji has also worked with National Securities Clearing Corporation Ltd as a Director and was responsible for Clearing House operations of National Stock Exchange for about 2 years.</p> <p>He is also a director /member on the Board of following company/committee :</p> <ul style="list-style-type: none"> <li>• President and Trustee of Shri Halai Brahmakshatriyas Panch, Mumbai</li> </ul>

## (II) DUTIES & RESPONSIBILITIES OF TRUSTEES

Pursuant to the Trust Deed constituting the Fund and in terms of the Regulations, the rights and obligations of the Trustee are as under:

- The Trustee has the legal ownership of the Trust Fund. The general superintendence and management of the Trust and all powers incidental to the purpose of the trust vest absolutely in the Trustee subject to the Trust Deed.
- The Trustee shall take into its custody or under its control all the capital and property of every Scheme of the Mutual Fund and hold it in trust for the Unitholders of the Scheme.
- The Trustee is entitled to delegate any power and/or responsibility vested in it to the AMC, which is accountable to the Trustee and bound to carry out the functions assigned to it from time to time. Notwithstanding any such delegation, the Trustee Company is at all times responsible for the acts of negligence or acts of omission and commission of the AMC.
- The Trustee shall ensure that the AMC and the Custodian duly fulfill the functions respectively assigned to them under the Mutual Fund Regulations.
- The Trustee shall ensure before the launch of any Scheme that the Asset Management Company has:
  - Systems in place for its back office, dealing room and accounting;

- Appointed all key personnel including fund manager(s) for the Scheme and submitted to the Trustee their resume containing particulars of their educational qualifications and past experience in the securities market within fifteen days of their appointment;
- Appointed auditors to audit the accounts of the Scheme;
- Appointed a compliance officer who shall be responsible for monitoring the compliance of the SEBI Act, rules and regulations, notifications, guidelines, instructions etc. issued by SEBI or the Central Government and for redressal of investors' grievances;
- Appointed registrars and laid down parameters for their supervision;
- Prepared a compliance manual and designed internal control mechanisms including internal audit systems; and
- Specified norms for empanelment of brokers and marketing agents.
- In carrying out responsibilities, the Trustee shall maintain arms' length relationship with other companies, or institutions or financial intermediaries or anybody corporate with which it may be associated.
- The Trustee shall not be liable to the Mutual Fund or the Unitholders, if the Mutual Fund suffers a decline in its net asset value or if any share or other security comprised in the Trust Fund depreciates in its market value or fails to achieve any increase therein, unless such decline, depreciation or failure is caused by the willful default or gross negligence of the Trustee.
- The Trustee shall not be under any liability on account of anything done or omitted to be done or suffered to be done by the Trustee in good faith, bonafide and after due diligence and care, in accordance with or on the advice of the AMC or any other professional person, firm or company.
- For avoidance of doubt, it is hereby agreed and declared that references to the Trustee in this clause shall be deemed to include references to the officers, servants and delegates of the Trustee.
- The Trustee shall ensure that the AMC has been managing the Scheme independently of other activities and has taken adequate steps to ensure that the interest of the investors of no Scheme is being compromised with that of the investors of other Schemes or of other activities of the AMC.
- The Trustee shall ensure that the Trust Fund shall be applied and be available absolutely for the purposes of the Trust and shall not be applied directly or indirectly for any purpose other than the purposes referred to under the Trust Deed.
- The Trustee shall call for a meeting of the Unitholders
- Whenever required to do so by SEBI in the interest of the Unitholders; or
- Whenever required to do so on the requisition made by three-fourths of the Unitholders of any Scheme; or
- When the majority of the Directors of the Trustee Company decide to wind up or prematurely redeem the Units.
- The Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest 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 Unitholders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
- Subject to the provisions of the Mutual Fund Regulations as amended from time to time, the consent of the Unitholders shall be obtained, entirely at the option of the Trustee, either at a meeting of the Unitholders or through postal ballot. Only one Unitholder in respect of each folio or account representing a holding shall vote and he shall have one vote in respect of each



resolution to be passed. The procedure of voting shall be as per the directives issued by SEBI, from time to time.

- The Trust Fund shall be held in trust and managed by the Trustee in accordance with the Trust Deed.
- The Trustee shall be accountable for, and be the custodian of, the funds and property of the respective Scheme and shall hold the same in trust for the benefit of the Unitholders in accordance with the Mutual Fund Regulations and the provisions of the Trust Deed.
- The Trust Deed shall not be amended without obtaining the prior approval of SEBI, and approval of the Unitholders shall be obtained where it affects their interests.
- The appointment of the AMC can be terminated by a majority of the Board of Directors of the Trustee or by 75% of the Unitholders of the Scheme. Modifications, if any, in the rights and/or obligations and duties of the Trustee are on account of amendments to the Regulations and the Regulations supersede/override the provisions of the Trust Deed, wherever the two are in conflict.

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**THE COMPLIANCE OFFICER REPORTS DIRECTLY TO THE DIRECTORS OF THE TRUSTEE CO. TO CARRY OUT THE SUPERVISORY ROLE. IN ADDITION, THE TRUSTEE MAY SEEK ANY INFORMATION FROM TIME TO TIME FROM THE AMC. A REPUTED FIRM OF CHARTERED ACCOUNTANTS HAS BEEN APPOINTED TO CARRY OUT INTERNAL AUDIT OF THE FUND ON A PERIODIC BASIS TO FACILITATE MONITORING THE ACTIVITIES OF THE AMC. ON A QUARTERLY BASIS, AN ACTIVITY REPORT PREPARED BY THE AMC IS DISCUSSED AT THE BOARD MEETINGS OF THE TRUSTEE. THE AUDIT COMMITTEE, COMPRISING THREE MEMBERS OF THE BOARD OF DIRECTORS OF THE TRUSTEE, HAS BEEN CONSTITUTED PURSUANT TO THE SEBI CIRCULAR MFD/CIR/010/024/2000 DATED 17.01.2000 CHAIRED BY AN INDEPENDENT DIRECTOR.**

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The Trustee shall exercise due diligence as under:

#### **General Due Diligence**

- The Trustee shall be discerning in the appointment of the key personnel of the Asset Management Company.
- The Trustee shall review the desirability or continuance of the Asset Management Company if substantial irregularities are observed in any of the Schemes and shall not allow the Asset Management Company to float new schemes.
- The Trustee shall ensure that the Trust Property is properly protected, held and administered by proper persons and by a proper number of such persons.
- The Trustee shall ensure that all service providers hold appropriate registrations from SEBI or concerned regulatory authorities.
- The Trustee shall report to SEBI of any special developments in the Mutual Fund.

#### **Specific Due Diligence**

- The Trustee shall arrange for test checks of service contracts at such frequency and in such manner as it shall deem appropriate from time to time.
- The Trustee shall obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee Company;
- The Trustee shall obtain compliance certificates at regular intervals from the Asset Management Company;

- The Trustee shall hold meetings of the Board of Directors of the Trustee Company regularly and frequently;
- The Trustee shall consider the reports of the independent auditor and compliance reports of Asset Management Company at the meetings of the Board of Directors of the Trustee Company for appropriate action;
- The Trustee shall maintain minutes of the meetings of the Board of Directors of the Trustee Company;
- The Trustee shall prescribe and adhere to a code of ethics by the Trustee Company, Asset Management Company and its personnel;
- The Trustee shall communicate in writing with the Asset Management Company regarding any deficiencies and checking on the rectification of deficiencies.
- The Trustee shall ensure that the accounts maintained by the Asset Management Company follow the accounting policies prescribed by SEBI or any other relevant authority and shall be in the prescribed format and have the prescribed contents.
- The Trustee shall procure that all necessary statements in respect of the Mutual Fund and the Trust Property are prepared in the manner required by Regulations and make or cause to be made all reports, publications, notices and filings with respect to the Mutual Fund required by Indian law.
- The Trustee shall cause the balance sheet and accounts of the Trust to be prepared and submitted to the Sponsor for the accounting year as soon as may be after the end of each accounting year.
- The Trustee shall cause the affairs of the various Schemes of the Trust in respect of every accounting year to be audited by one or more auditors qualified to act as auditors under the law for the time being and obtain their report and submit the same to SEBI or any other Government Authority, if required by the law in force. The auditor shall be appointed by the Trustee Company and the Trustee Company may in its discretion, determine out of what part or parts of the Trust Property or the income thereof, the cost of such audit shall be defrayed and may make such apportionment of such costs as it thinks desirable. Such auditor shall not be the same as the auditor appointed for the Asset Management Company.

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### (III) TRUSTEE'S SUPERVISORY ROLE

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The supervisory role of the Trustee is discharged by the Board of Directors of the Trustee by internal and external reporting system;

- **Internal Reporting**  
The compliance officer reports on a regular basis to the Trustee on the compliance of mandatory regulatory requirements.
- **External Reporting**  
In terms of Regulation 18(4)(f) of the SEBI Regulations, the Trustee to ensure that before the launch of any schemes the AMC has prepared a compliance manual and desired internal control mechanism including internal audit systems. Further, SEBI vide their letter no. MFD/CIR/No.010/024/2000 dated January 17, 2000 made it mandatory for the Trustee to constitute an audit committee of the Trustee, which shall be chaired by an independent Trustee. In compliance of the above SEBI Regulations, the Trustee has constituted an audit committee and appointed an independent internal auditor for conducting internal audit of the books and records of the Fund. The internal auditors submit their report directly to the Trustee under this external reporting system.
- The Board of Trustee had 66 Board meetings since incorporation (23rd April, 2007) till May 30, 2017.
- The Trustee may amend the Trust Deed with the prior approval of SEBI and the Unit Holders where it affects the interest of Unit Holders.



- The Trustee Company may, subject to the Regulations, acquire, hold, develop, deal with and dispose of any movable or immovable property either on ownership, rental or other basis whatsoever, with power to let or sublet the same with or without charging any compensation fee or rent as the Trustee may in its absolute discretion deem fit. However, no investment shall be made in immovable property from the resources mobilized for the Scheme.

**D. *The Asset Management Company (AMC)***

Mirae Asset Global Investments (India) Private Limited, a company registered under the Companies Act, 1956 and having its registered office at Unit 606, 6<sup>th</sup> Floor, Windsor, off CST Road, Kalina, Santacruz (E), Mumbai - 400 098. Mirae Asset Global Investments (India) Private Limited has been appointed as the Asset Management Company (AMC) of Mirae Asset Mutual Fund by the Trustee vide Investment Management Agreement ("IMA") dated October 11, 2007 entered into between Mirae Asset Trustee Company Private Limited and Mirae Asset Global Investments (India) Private Limited.

The Investment Manager was approved by SEBI to act as the AMC for the Fund vide letter no. IMD/HSV/OTW/109716/2007 dated 30<sup>th</sup> November, 2007. The AMC manages the Scheme / options of the Fund in accordance with the provisions of the Investment Management Agreement, the Trust Deed, the Regulations and the objectives of each Scheme / option. The AMC can be removed by the Trustee, subject to the Regulations.

SEBI vide its letter dated February 5, 2008 having reference no. IMD/PM/116190/2008 has conveyed its no objection for the AMC to undertake non-binding Advisory services to its group companies operating offshore funds domiciled in Korea and managed by offices located in Singapore, United Kingdom and Hongkong and in case of other funds which are in nature of offshore funds. Accordingly, the AMC has entered into agreement Nov 1, 2012 with Mirae Asset Global Investments (Hong Kong) Limited ("Mirae HK") for providing advisory services to Mirae HK and revised Schedule 2 dated Mar 13, 2015 for advising on three India dedicated funds. The AMC has also entered into an agreement dated September 18, 2015 with Mirae HK for providing advisory services for Korea domiciled Fund on perpetual basis. The AMC has entered into an agreement with Mirae Asset Global Investments (Hong Kong) Limited to seek non-binding advisory services for investments in overseas securities with effect from September 1, 2016 on perpetual basis.

The AMC provides investment advice to Mirae Asset Global Investments Company Limited, Korea (Mirae Korea) through agreement dated July 1, 2014 for providing advisory services to Mirae Korea for Insight Fund further amended on March 13, 2015. Further, the AMC also entered an agreement dated July 1, 2015 for providing advisory services to Mirae Korea for Korea domiciled Fixed Income Fund.

The Advisory function is managed by a separate fund manager/advisor and is not in conflict with the activities of the mutual fund. The above said activities are in compliance with the provisions of Regulation 24(b) of SEBI (Mutual fund) Regulations, 1996 and are not in conflict with the mutual fund activities.

The fund management of the Scheme (including the international portion) shall rest with the AMC. The fees related to these services would be borne by the AMC and would not be charged to the scheme.

The same are not in conflict with the mutual fund activities.

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**(I) DETAILS OF AMC DIRECTORS:**

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Name	Age / Qualification	Brief Experience
<b>Mr. B. N. Chakraborty</b> – <b>Director</b> <b>(Independent)</b>	66 yrs /C.A.	<p>Mr. B N Chakraborty is an eminent Chartered Accountant with more than thirty years of experience in finance, treasury, accounting, human resources, sales, marketing and in general management.</p> <p>Mr. Chakraborty has worked in senior positions with several multinational Organizations in different industries. His last full time assignment until April 2008 was as Managing Director of Organon India Ltd, a Dutch MNC engaged in the pharma business where he had overall responsibility of managing the Company's operations in India, Nepal and Sri Lanka. The Company under his leadership did exceedingly well, consistently improving on market share of its key products and taking forward a value driven organization. Mr. Chakraborty is presently engaged as a professor at a Business School and providing business consultancy services to certain large corporate houses.</p>
<b>Mr. Yogesh Chadha</b> – <b>Director</b> <b>(Independent)</b>	B.COM (HONS.), Chartered Accountant / 54 years	<p>Mr. Chadha has held various positions at all levels for past 25 years in the finance and financial services fields. Presently, he is the Chairman of Alliance Securities Company Private Limited, Mumbai. He is overall responsible for equity and equity linked fund, raising hedge funds, raising finance for both listed and unlisted companies etc. and offering expertise in acting as lead manager for FCCBs and GDRs. He is also responsible for co-ordination of cross border transactions and Mergers, acquisitions, alliances and joint ventures, restructuring etc. and advising on other general corporate and strategic issues.</p> <p>He is a Chartered Accountant by qualification and in the past he has been associated with various organizations in senior positions like Emerging Markets Group, Development Credit Bank, JP Morgan Chase Bank and HSBC Bank.</p> <p>He is also a director in the following companies:</p> <ul style="list-style-type: none"> <li>• Alliance Securities Company Private Limited.</li> <li>• Alliance Realty &amp; Infrastructure Co. Private Limited</li> <li>• Alliance Realty P. Ltd</li> <li>• RNS Advisors P. Ltd</li> </ul>

Name	Age / Qualification	Brief Experience
<b>Mr. Swarup Anand Mohanty</b> Director - (Associate)	PGDBM, B.Com (Hons) / 45 years	Mr. Swarup Anand Mohanty is the Chief Executive Officer (CEO) of Mirae Asset Global Investments (India) Private Limited.  He has over 21 years of experience in the field of financial services including 17 years plus experience in Asset Management Sales. He is overall responsible for the India AMC. He has been associated with the AMC as Head - Sales from July 2011. Prior to this assignment, Mr. Mohanty was National Sales Head - Retail, India with Religare Asset Management Co. Ltd. He has also been associated with organizations like Birla Sunlife Asset Management Co. Ltd., Franklin Templeton Asset Management (India) Pvt. Ltd. & Kotak Mahindra Asset Management Company Ltd. in sales responsibilities.
<b>Mr. Junyoung Hong</b> Director - (Associate)	Bachelor in Business Administration from State University / 35 years	Mr. Junyoung Hong is the Head - Businesses of Mirae Asset Global Investments (India) Private Limited.  Mr. Hong has around 10 years of experience in global business strategy, marketing and sales in Mirae Asset Korea and US offices.  He has been associated with Mirae Asset Financial Group since November 2006. Prior to this assignment, Mr. Hong was the Assistant Vice President - Sales of Mirae Asset Global Investments Ltd., Korea. He has also been associated with Mirae Asset Global Investments (USA) LLC.

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(II) DUTIES AND OBLIGATIONS OF THE AMC AS SPECIFIED IN THE SEBI MUTUAL FUND REGULATIONS ON [WWW.SEBI.GOV.IN](http://WWW.SEBI.GOV.IN)

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**Duties of AMC:**

The duties and responsibilities of the AMC shall be consistent with the Regulations and the Investment Management Agreement. The AMC shall discharge such duties and responsibilities as provided for under the Regulations and the Investment Management Agreement.

The duties of the AMC as specified in the SEBI (Mutual Fund) Regulations, 1996 are as below:

The AMC shall, in the course of managing the affairs of the Fund, inter alia:

- (i) Be responsible for floating schemes for the mutual fund after approval of the same by the trustees and managing the funds mobilised under various schemes, in accordance with the provisions of the Trust Deed and Regulations;
- (ii) Shall not undertake any other business activity other than activities specified under sub-regulation (2) of regulation 24 and management of mutual funds and such other activities as financial services, consultancy, exchange of research and analysis on commercial basis as long as these are not in conflict with the fund management activity itself without the prior approval of the trustees and Board;

- (iii) Shall invest the funds raised under various schemes in accordance with the provisions of the Trust Deed and the regulations;
- (iv) Shall not acquire any of the assets out of the scheme property which involves the assumption of any liability which is unlimited or which may result in encumbrance of the scheme property in any way;
- (v) Shall not take up any activity in contravention of the Regulations;
- (vi) No loss or damage or expenses incurred by the AMC or Officers of the AMC or any person delegated by the AMC, shall be met out of the trust property;
- (vii) Shall ensure that no offer document of a scheme, key information memorandum, abridged half-yearly results and annual results is issued or published without the trustees' prior approval in writing, and contains any statement or matter extraneous to the Trust Deed or Offer Document scheme particulars approved by the trustees and Board;
- (viii) Shall provide an option of nomination to the unitholders in terms of regulation 29A, in the form prescribed hereunder;
- (ix) Shall disclose the basis of calculating the repurchase price and NAV of the various schemes of the fund in the scheme particulars and disclose the same to the investors at such intervals as may be specified by the trustees and Board;
- (x) The trustees shall have the right to obtain from the AMC, all information concerning the operations of the various schemes of the mutual fund managed by the AMC at such intervals and in such a manner as required by the trustees to ensure that the asset management company is complying with the provisions of the Trust Deed and Regulations;
- (xi) Shall submit quarterly report on the functioning of the schemes of the mutual fund to the trustees or at such intervals as may be required by the trustees or Board;
- (xii) The trustee shall have the power to dismiss the AMC under the specific events only with the approval of the Board in accordance with the Regulations.

#### **Obligation of AMC**

- (1) The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.
- (2) The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
- (2A) The AMC shall obtain, wherever required under these regulations, prior approval on-principle approval from recognised stock exchange(s) where units are proposed to be listed.
- (3) The AMC shall be responsible for the acts of commission or omission by its employees or the persons whose services have been procured by the AMC.
- (4) The AMC shall submit to the Trustees quarterly reports of each year on its activities and the compliance with these regulations.
- (5) The trustees at the request of the AMC may terminate the assignment of the AMC at any time. Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the AMC.
- (6) Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omission, while holding such position or office.
- (6A) The Chief Executive Officer of the AMC shall ensure that the mutual fund complies with all the provisions of these regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.

- (6B) The fund managers (whatever the designation may be) shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme and in the interest of the unit holders.
- (7)(a) An AMC shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes:  
 Provided that for the purpose of this sub-regulation, the aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund:  
 Provided further that the aforesaid limit of 5% shall apply for a block of any three months.
- (7)(b) An AMC shall not purchase or sell securities through any broker [other than a broker referred to in clause (a) of sub-regulation (7)] which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the AMC has recorded in writing the justification for exceeding the limit of 5 per cent and reports of all such investments are sent to the trustees on a quarterly basis:  
 Provided that the aforesaid limit shall apply for a block of three months.
- (8) An AMC shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:  
 Provided that an AMC may utilise such services if disclosure to that effect is made to the unitholders and the brokerage or commission paid is also disclosed in the half-yearly annual accounts of the mutual fund:  
 Provided further that the mutual funds shall disclose at the time of declaring half yearly and yearly results:
- (i) any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities associate companies,
  - (ii) devolvement, if any,
  - (iii) subscription by the schemes in the issues lead managed by associate companies,
  - (iv) subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.
- (9) The AMC shall file with the trustees the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to the Board, as and when required by the Board.
- (10) In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting.
- (11) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the trustees by the AMC and be disclosed in the half-yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.
- (12) The AMC shall file with the trustees and the Board—
- (a) detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
  - (b) any change in the interests of directors every six months; and
  - (c) a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company, as the case may be, by the mutual fund during the said quarter.
- (13) Each director of the AMC shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with guidelines issued by the Board.
- (14) The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.



- (15) The AMC shall appoint Registrars and Share Transfer Agents who are registered with the Board:  
Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
- (16) The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule.
- (17) The AMC shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011.  
Provided that an AMC shall not be entitled to charge any fee on its investment in that scheme.
- (18) The AMC shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India.  
Provided that the AMC having any of its operations outside India shall wind up and bring them within the territory of India within a period of one year from the date of notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011.  
Provided further that the Board may grant a further period of one year if it is satisfied that there was sufficient cause for not winding up of the operation outside India within that period.
- (19) The AMC shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule, and shall publish the same.
- (20) The AMC and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.
- (21) The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by the Board.

### (III) SHAREHOLDING PATTERN OF AMC

In a strategic move, Mirae Asset MAPS Global Investments Co. Ltd. (the erstwhile shareholder, holding 6.91% of the AMC) was merged with Mirae Asset Global Investments Co. Ltd. (the Sponsor) w.e.f. March 26, 2012. The merger has been approved by Financial Services Commission (FSC), South Korea and Mirae Asset Global Investments Co. Ltd., South Korea, continues to act as the Sponsor of the AMC.

Accordingly, the shareholding pattern, post-merger, stands as under:

Sr. No.	Shareholder's Name	Paid-up capital in Rs. (Equity Shares of Rs.10/- each)	Number of shares (Equity Shares of Rs.10/- each)	% of Shareholding
1	Mirae Asset Global Investments Co. Ltd. (MAGI), Korea. (Sponsor)	2,031,885,390	203,188,539	99.99
2	Mr. Jisang Yoo (Nominee shareholder of MAGI)	10	1	0.00~
	<b>TOTAL</b>	<b>2,031,885,400</b>	<b>203,188,540</b>	<b>100.00</b>

~ - negligible %

*[Mirae Asset Global Investments Co. Ltd. (the Sponsor) has appointed Mr. Jisang Yoo as the nominee shareholder vide their resolution dated 29th February, 2012. Kindly note that though Mr. Jisang Yoo is being appointed as nominee shareholder, the ultimate beneficial owner being Mirae Asset Global]*



*Investments Co. Ltd. (MAGICL). Post-merger, the AMC is 100% wholly owned subsidiary of Mirae Asset Global Investments Co. Ltd. (the Sponsor)].*

The change in the shareholding pattern of the AMC does not amount to change in the controlling stake of the AMC and that Mirae Asset Global Investments Co. Ltd. (Sponsor), South Korea, continues to act as the Sponsor of the AMC.

(IV) INFORMATION ON KEY PERSONNEL

Department	Name	Designation / Total No. of years of experience	Qualifications/Age	Experience & Background
Management	<b>Mr. Swarup Anand Mohanty</b>	Chief Executive Officer (CEO) / 21 years	PGDBM,B.Com (Hons) / 45 years	<p>Mr. Swarup Anand Mohanty is the Chief Executive Officer (CEO) of Mirae Asset Global Investments (India) Private Limited.</p> <p>He has over 21 years of experience in the field of financial services including 17 years plus experience in Asset Management Sales. He is overall responsible for the India AMC. He has been associated with the AMC as Head- Sales from July 2011. Prior to this assignment, Mr. Mohanty was National Sales Head - Retail, India with Religare Asset Management Co. Ltd. He has also been associated with organizations like Birla Sunlife Asset Management Co. Ltd, Franklin Templeton Asset Management (India) Pvt. Ltd &amp; Kotak Mahindra Asset Management Company Ltd. in sales responsibilities.</p>
Management	<b>Mr. Junyoung Hong</b>	Head - Businesses /10 years	Bachelor in Business Administration from State University / 35 years	<p>Mr. Junyoung Hong is the Head – Business of Mirae Asset Global Investments (India) Private Limited.</p> <p>Mr. Hong has around 10 years of experience in global business strategy, marketing and sales in Mirae Asset Korea and US offices.</p> <p>He has been associated with Mirae Asset Financial Group since November 2006. Prior to</p>

Department	Name	Designation / Total No. of years of experience	Qualifications/Age	Experience & Background
				this assignment, Mr. Hong was the Assistant Vice President – Sales of Mirae Asset Global Investments Ltd., Korea. He has also been associated with Mirae Asset Global Investments (USA) LLC.
<b>Compliance, Legal and Risk</b>	<b>Mr. Ritesh Patel</b>	Head – Compliance Risk Management, Secretarial & Legal / 12 years	B.Com. A.C.S., LL.B./ 36 years	He has over 10 years of experience in the field of financial services and a total of over 12 years of experience in the field of Legal, Secretarial, Risk Management & Compliance. He is responsible for handling legal, secretarial, risk management and compliance functions of the organization. Prior to this assignment, Mr. Patel was Company Secretary with JM Financial Asset Management Pvt. Ltd. He has also been associated with organizations like Tower Capital & Securities Pvt. Ltd., Hindustan Composites Ltd. and Multi-Arc India Limited.
<b>Operations &amp; Investor Relations</b>	<b>Mr. Girish Dhanani</b>	Head – Operations & Investor Relations / 19 years	B. Com, Masters in Financial Management / 40 years	He has over 19 years of experience in the Service Sector that is spread over Financial Services, Process Migration, Mutual Fund and Travel Industry including 13 years of experience in Asset Management Business. He is responsible for the overall Operations and Investor Relations functions of the fund. He has been associated with the AMC from August, 2007. Prior to this assignment, Mr. Dhanani was Manager - Customer Service with SBI Funds Management Pvt. Ltd. Prior to that, he has worked with Birla Sun Life Asset Management Company Ltd. & IL&FS Investment Managers Limited as Senior Executive -

Department	Name	Designation / Total No. of years of experience	Qualifications/Age	Experience & Background
				Customer Service. He has also been associated with organizations like E-Serve International Ltd & World Network Services.
<b>Product and Marketing</b>	<b>Mr. Vaibhav B. Shah</b>	Head - Product, Marketing and Corporate Communications / 11 years	CA, MMS (Finance), CFP/ 38 years	<p>He has more than 11 years' experience in the field of financial services and stock markets. He is responsible for Product, Marketing and Corporate Communications functions of the company.</p> <p>Mr. Shah has been handling product development function of the AMC since August, 2011. Prior to this assignment, he was Product Manager Mutual Funds &amp; Alternate Investment Products at DBS Bank Ltd. He has also worked as Product Manager Indian Equities with ICICI Bank Ltd. and associated with organizations like Karvy Stock Broking Ltd and Indiabulls Securities Ltd.</p>
<b>Finance, Admin and IT</b>	<b>Mr. Krishna Kanhaiya</b>	Deputy Chief Financial Officer/ 17 years	ACA, Grad. CWA, B.Com(H) / 39 years	Mr. Krishna Kanhaiya has over 17 years of experience in the finance function in various industries including over 11 years in Financial Services. Mr. Kanhaiya has been associated with the Organization since its inception and is responsible for Finance, Human Resource, Information Technology and Administration functions. Prior to this assignment, he was Sr. Manager - Accounts & Administration at DBS Cholamandalam AMC Ltd. He has also been associated with organizations like Ispat Industries Ltd., Ambuja Realty Group and Hindustan Engineering and Industries limited. He is a Chartered Accountant as well as Cost and Management Accountant.

Department	Name	Designation / Total No. of years of experience	Qualifications/Age	Experience & Background
<b>Investment (Fund Management)</b>	<b>Mr. Neelesh Surana</b>	Chief Investment Officer - Equity/ 19 years	B.E. (Mechanical),MBA (Finance)/ 45 years	Neelesh has professional experience of about 19 years in financial services including fund management. He is responsible for supervising and managing Equity schemes. Prior to this assignment, Neelesh was associated with ASK Investment Managers Pvt Ltd as Senior Portfolio Manager, where he was managing domestic and offshore portfolios.
<b>Investment (Fund Management and Offshore advisory business - Fixed Income Segment)</b>	<b>Mr. Mahendra Kumar Jajoo</b>	Head - Fixed Income/ 25 years	ACA, ACS, CFA / 48 years	Mr. Mahendra Kumar Jajoo is the Head - Fixed Income of Mirae Asset Global Investments (India) Private Limited. He has over 25 years of experience in the field of financial services including 11 years of experience in Fixed Income funds management. He is overall responsible for supervising all Debt schemes of the Mirae Asset Mutual Fund. Prior to this assignment, Mr. Jajoo was Director with AUM Capital Markets Ltd. He has also been associated with organizations like Pramerica Asset Managers Pvt. Ltd., Tata Asset Management Ltd., ABN AMRO Asset Management Ltd and ICICI Group.
<b>Investment (Quantitative Analyst and Dealers)</b>	<b>Mr. Nirman Morakhia</b>	Equity Dealer / 8.5 years	B.M.S., MBA- Financial Markets / 29 years	He has over 8 and half years of experience in the field of Equity dealing & Investments. He has been associated with the AMC as a Quantitative Analyst from November, 2007. Prior to this assignment, Mr. Nirman was a Research Analyst with Amit Nalin Securities Ltd. and Latin Manharlal Securities Ltd. Prior to that; he has also worked with Motilal Oswal Securities Ltd.
<b>Investment (Fund Management and Research)</b>	<b>Ms. Bharti Sawant</b>	Associate Fund Manager/6 years	M.S. Finance (ICFAI Hyderabad), CFA, B.Com / 27 Years	Ms. Sawant has professional experience of more than 6 years and his primary responsibility includes Investment Analysis &

Department	Name	Designation / Total No. of years of experience	Qualifications/Age	Experience & Background
Analysts)				Fund Management. She has been associated with the AMC as an Investment Analyst since September 3, 2013. She was previously associated with Sushil Finance Securities Pvt. Ltd., Latin Manharlal Securities Pvt. Ltd., Kabu Shares & Stocking Pvt. Ltd. for Financial Analysis and Research.
Investment (Fund Management, Research Analyst and Offshore Advisory - Equity)	Mr. Ankit Jain	Associate Fund Manager / 5 Years	MBA (Finance), B. Tech (ICT) / 30 Years	Mr. Jain has professional experience of more than 5 years and his primary responsibility includes Investment Analysis & Fund Management. He has been associated with the AMC as a Research Analyst since September 7, 2015. He was previously associated with Equirus Securities Pvt Ltd. and Infosys Ltd.
Investment (Quantitative Analyst)	Mr. Vrijesh Kasera	Research Analyst - Equity / 9 Years	M.B.A. (PGDBM), CFA (ICFAI)/ 34 Years	Mr. Kasera has professional experience of more than 9 years and his primary responsibility includes Investment Analysis & Research. Prior to this assignment, he was associated with Axis Capital Ltd. as an Equity Research Analyst. He has also been associated with Edelweiss Broking Ltd.
Investment (Fund Management and Research Analysts)	Mr. Harshad Borawake	Head of Research/ 13 years	MBA (Finance), B.E. (Polymers)/ 36 Years	Mr. Borawake has professional experience of more than 13 years and his primary responsibility includes Investment Analysis & Research. Prior to this assignment, he was associated with Motilal Oswal Securities as Vice President (Research). He has also been associated with Capmetrics & Risk Solutions as Research Analyst - Equity.
Investment (Quantitative Analyst)	Mr. Kunal Khudania	Credit Analyst – Fixed Income/10 months	C.A., B.Com (H),	Mr. Khudania has professional experience of almost a year and his primary responsibility includes credit analysis of fixed income securities and investment analysis & research. He was previously associated with

Department	Name	Designation / Total No. of years of experience	Qualifications/Age	Experience & Background
				Futures First Info Services Pvt Ltd.
<b>Investment (Dealer)</b>	<b>Mr. Abhishek Iyer</b>	Dealer-Fixed Income / 8.5 Years	Master In Finance Management & B.Com / 33 Years	Mr. Abhishek Iyer has around 8.5 years of experience in Finance sector and he shall be primarily responsible as Fixed Income dealer. Prior to this assignment, he was associated with IDBI Asset Management Company Ltd., India Infoline Asset Management Company Limited, L&T Asset Management Company Limited and Sahara Asset Management Company Limited as Fixed Income - Dealer.
<b>Investment (Fund Management and Research Analysts)</b>	<b>Mr. Sudhir Kedia</b>	Associate Fund Manager/11 Years	CA, CMA, MBA (PGPEBiz)	Mr. Kedia has professional experience of more than 11 years and his primary responsibility includes Fund Management & Investment Analysis. He was previously associated with ASK Investments.

**Note:**

1. All the key personnel are based at the Corporate Office of the AMC in Mumbai.
2. With effect from March 31, 2017, Gopal Agrawal ceased to be the Chief Investment Officer and Strategist and Key Personnel of the AMC.
3. With effect from February 22, 2017, Shashank Sawant ceased to be the Fixed Income – Dealer and Key Personnel of the AMC.
4. With effect from April 20, 2017, Mr. Abhishek Iyer has been appointed as Fixed Income – Dealer and has also been designated as the Key Personnel of the AMC.
5. Mr. Kunal Khudania has been appointed as Credit Analyst – Fixed Income and has also been designated as the Key Personnel of the AMC, with effect from March 15, 2017.
6. Mr. Sudhir Kedia has been appointed as Associate Fund Manager and has also been designated as the Key Personnel of the AMC, with effect from March 14, 2017.

The Compliance Officer for the Schemes is **Mr. Ritesh Patel** and the Investor Relations Officer of the Fund is **Mr. Girish Dhanani**. They may be contacted at the corporate office of the AMC at Unit 606, 6<sup>th</sup> Floor, Windsor Bldg, off CST Road, Kalina, Santacruz (E), Mumbai - 400 098.

**D. SERVICE PROVIDERS****(I) THE CUSTODIAN**

**M/s. Deutsche Bank AG, Mumbai**, has also been appointed as custodian for the Schemes of Mirae Asset Mutual Fund with effect from:

Sr. No.	Name of Scheme	Effective Date
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1.	Mirae Asset India Opportunities Fund@	From the end of business hours of July 03, 2015
2.	Mirae Asset Emerging Bluechip Fund@	
3.	Mirae Asset Great Consumer Fund@	
4.	Mirae Asset Prudence Fund#	July 29, 2015
5.	Mirae Asset China Advantage Fund*	From the end of business hours of July 31, 2015
6.	Mirae Asset Cash Management Fund*	
7.	Mirae Asset Savings Fund*	
8.	Mirae Asset Tax Saver Fund#	December 29, 2015

The address of M/s. Deutsche Bank AG is: Sir Hazarimal Somani Marg, Fort, Mumbai - 400 001. M/s. Deutsche Bank AG, Mumbai Branch is registered with SEBI as a Custodian of Securities under SEBI (Custodian of Securities) Regulations, 1996, vide registration no. IN/CUS/003.

**Note:**

\*Standard Chartered Bank (SCB), Mumbai acted as custodian till the end of business hours of July 31, 2015.

@ CITI Bank NA acted as custodian till the end of business hours of July 03, 2015.

# Inception date of Mirae Asset Prudence Fund is July 29, 2015 and Mirae Asset Tax Saver Fund is December 29, 2015.

The Mutual Fund has entered into a Custody Agreement with **M/s. Deutsche Bank AG, Mumbai** on June 25, 2015, whose principal responsibilities under the said Agreements are to:

- Provide custodial services to the Mutual Fund;
- Ensure that benefits due on the holdings are received;
- Ensure segregation of assets between different Schemes of the Fund;
- Provide detailed information and other reports as required by the AMC;
- Maintain confidentiality of the transactions; and
- Be responsible for any loss or damage to the assets belonging to the Scheme due to negligence on its part or on the part of its approved agents.

The Custodian shall not assign, transfer, hypothecate, pledge, lend, use or otherwise dispose of any assets or property of the Fund, except pursuant to instruction from the Trustee / AMC or under the express provisions of the Custody Agreement. The Custodian will be entitled to remuneration for its services in accordance with the terms of the Custody Agreement and as estimated in the table pertaining to the recurring expenses in respect of the Scheme. Accordingly, the recurring expenses will be borne by the Unit Holders of the Scheme. The Trustee has the right to change the Custodian, in certain circumstances.

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(II) THE REGISTRAR & TRANSFER AGENT

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Karvy Computershare Private Limited, located at Karvy Selenium, Tower-B, Plot No. 31 & 32, Survey No.116/22, 115/24, 115/25, Financial District, Nankramguda, Serilingampally Mandal, Ranga Reddy District, Hyderabad - 500032 has been appointed as the Registrar and Transfer Agent and the dividend paying agent for the Fund in accordance with the Registrar and Transfer Agent Agreement dated October 12, 2007. The Board of Directors of the AMC and the Trustees have satisfied themselves that the Registrars can provide the service required and have adequate facilities and system capabilities to discharge the responsibility with regard to processing of applications and dispatching of unit certificates to Unitholders within the time limit prescribed in the SEBI Regulations and also has sufficient capacity to handle investor complaints. The Registrar will be paid fees in accordance with the Agreement executed with them. The Registrar is registered with SEBI vide Registration No. INR000000221.

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(III) STATUTORY AUDITORS

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M/s. Chokshi & Chokshi, Chartered Accountants, having an office at 15/17, Raghavaji 'B' Bldg., Ground Floor, Raghavaji Road, Gowalia Tank, Off Kemps Corner, Mumbai- 300 036 are the auditors appointed for the Fund. The audit fees for the Scheme will be borne by the Unit Holders as part of the recurring expenses of the Scheme. The Trustee has the right to change the Auditors.

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(IV) LEGAL COUNSEL

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The AMC, on a case to case basis, uses services of various legal consultants, experts on various issues pertaining to the smooth functioning of the business, from time to time.

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(V) THE FUND ACCOUNTANT

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M/s. Deutsche Bank AG has been appointed as the Fund Accountant\* for all the Schemes of Mirae Asset Mutual Fund with effect from August 01, 2015. M/s. Deutsche Bank AG, Mumbai provides fund accounting, NAV calculation and other related services in accordance with a Funds Administration Services Agreement dated June 25, 2015 executed between the AMC and M/s. Deutsche Bank AG.

M/s. Deutsche Bank AG is entitled to remuneration for its services in accordance with the terms of the Funds Administration Services Agreement and such remuneration will be borne by the AMC and not by the Unit Holders of the Scheme. The AMC has the right to change the fund accountant in certain circumstances.

\* M/s. Deutsche Investor Services Private Limited (DISPL) acted as Fund Accountant for all the Schemes of Mirae Asset Mutual Fund till July 31, 2015.

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(VI) COLLECTION BANKERS

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The Collection Banks to the NFO may be decided by the AMC from time to time. Applications for the NFO will be accepted at Designated Collection Centers.

**E. CONDENSED FINANCIAL INFORMATION & PERFORMANCE OF THE SCHEMES**

The details of the Condensed Financial Information (CFI) & Performance of all the schemes of Mirae Asset Mutual Fund existing as on March 31, 2017 is as follows:

Historical Per Unit Statistics	MIRAE ASSET SAVINGS FUND		
	April 01, 2016 to 31 March 2017	April 01, 2015 to 31 March 2016	April 01, 2014 to 31 March 2015
<b>Date of Launch</b>	<b>29-Feb-08</b>		
<b>Date of Allotment</b>	<b>5-Mar-08</b>		
<b>NAV at the beginning of the year / Date of Allotment:</b>			
Regular - Dividend Plan (Daily)	1498.7945	1401.4780	1351.3897
Regular - Dividend Plan (Monthly)	1502.3997	1404.8496	1354.6396
Regular - Dividend Plan (Weekly)	1498.7136	1401.3832	1351.2981
Regular - Dividend Plan (Quarterly)	1037.845	-	1195.7820
Regular - Dividend Plan	1222.608	-	-
Regular - Growth Option	1572.4094	1470.3081	1417.7631
Savings - Dividend Plan	1017.0753	1013.6682	-
Savings - Monthly Plan	1089.4799	1081.3006	1076.5776
Savings - Weekly Plan	1110.3281	1102.5418	1097.8555
Savings - Growth Option	1326.2594	1240.0925	1195.7820
Savings - Dividend Plan (Quarterly)	1037.845	1037.9939	1038.8723
Direct Dividend	1222.608	1140.0232	1094.9163
Direct Plan - Growth	1358.7135	1259.6104	1208.7444
Direct Plan - Weekly Dividend	1320.3764	1225.4682	1176.9831
Direct Plan - Monthly Dividend	1052.5815	-	-
Direct Plan - Quarterly Dividend	1060.1033	1060.6572	1061.6076
<b>Dividend:</b>			
Direct Plan - Dividend Plan (Quarterly) - Non Corporate	57.0284	57.1312	31.5461
Direct Plan - Dividend Plan (Quarterly) - Corporate	61.5538	52.9309	29.2547
Direct Plan - Dividend Plan (Daily) - Non Corporate	-	3.2853	-
Direct Plan - Dividend Plan (Daily) - Corporate	-	3.0438	-
Savings - Dividend Plan (Quarterly) - Non Corporate	40.5046	50.0674	27.8732
Savings - Dividend Plan (Quarterly) - Corporate	37.5268	46.3865	25.8486
Savings - Dividend Plan (Daily) - Non Corporate	48.2606	46.2196	25.3953
Savings - Dividend Plan (Daily) - Corporate	44.7125	42.8216	23.5507
Savings - Dividend Plan (Weekly) - Non Corporate	48.2967	48.0540	25.6173

Savings - Dividend Plan (Weekly) - Corporate	44.7460	44.5211	23.7566
Savings - Dividend Plan (Monthly) - Non Corporate	46.9249	46.8136	25.1103
Savings - Dividend Plan (Monthly) - Corporate	43.4750	43.3719	23.2864
<b>NAV at the end of the year / period (Rs.)</b>			
Regular - Dividend Plan (Daily)	1599.1996	1497.5843	-
Regular - Dividend Plan (Monthly)	1602.7589	1501.1863	1404.8496
Regular - Dividend Plan (Weekly)	-	1497.4951	1401.3832
Regular - Dividend Plan (Quarterly)	-	-	1240.0925
Regular - Dividend Plan	1016.6402	-	1401.4780
Regular - Growth Option	1677.4834	1571.1398	1470.3081
Savings Daily Dividend	-	1017.0342	1013.6682
Savings Monthly Dividend	1095.2115	1088.6002	1081.3006
Savings Weekly Dividend	1115.3393	1109.4316	-
Savings Growth Option	1414.7143	1325.1880	-
Super Savings - Dividend Plan (Weekly)	-	-	1102.5418
Savings Dividend (Quarterly)	1053.3825	1037.0070	1037.9939
Direct Plan - Growth	1460.6978	1357.5331	1259.6104
Direct Plan - (Daily)	1222.4399	1222.5556	1140.0232
Direct Plan - Weekly Dividend	1414.475	1319.2452	1060.6572
Direct Plan - Monthly Dividend	1127.3938	1051.6797	1225.4682
Direct Plan - Quarterly Dividend	1078.3652	1059.1950	1060.6572
<b>% CAGR Return (Since Inception)</b>			
Regular - Growth	7.55	3.5500	5.6000
<b>Benchmark Returns (Since Inception) - CAGR</b>	8.33	7.7300	7.6700
<b>Standard Benchmark</b>	Crisil 1 year T-Bill		
<b>Standard Benchmark Returns</b>	7.1141	6.4500	6.2500
<b>Net Assets end of the year / period (Rs. In Crores)</b>	242.4180	89.7448	0.0625
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0083	0.0089	26.5300
<b>Benchmark Index</b>	Crisil Liquid Fund Index		

Historical Per Unit Statistics	MIRAE ASSET INDIA OPPORTUNITIES FUND		
	April 01, 2016 to 31 March 2017	April 01, 2015 to 31 March 2016	April 01, 2014 to 31 March 2015
<b>Date of Launch</b>	<b>11-Feb-08</b>		
<b>Date of Allotment</b>	<b>4-Apr-08</b>		
<b>NAV at the beginning of the year / Date of Allotment:</b>			
Regular - Dividend Plan	15.908	18.0810	17.5690
Regular - Growth Option	31.041	32.4270	28.9810
Institutional - Dividend Plan			
Direct Dividend	23.822	24.6850	21.9690
Direct Growth	31.988	33.1400	29.4930

<b>Dividend:</b>			
Regular - Dividend Plan - Non Individual	1.5	1.3500	1.6000
Regular - Dividend Plan - Individual	1.5	1.3500	1.6000
<b>NAV at the end of the year / period (Rs.)</b>			
Regular - Dividend Plan	18.769	15.9320	18.0810
Regular - Growth Option	39.891	31.0860	32.4270
Institutional - Dividend Plan			
Direct Dividend	30.844	23.8560	24.6850
Direct Growth	41.421	32.0340	33.1400
<b>% CAGR Return (Since Inception)</b>			
Regular - Growth	16.63	0.1524	0.1832
Institutional - Growth			
<b>Benchmark Returns (Since Inception) - CAGR</b>	8.61	0.0699	0.0931
<b>Standard Benchmark</b>	Sensex		
<b>Standard Benchmark Returns</b>		0.0648	0.0896
<b>Net Assets end of the year / period (Rs. In Crores)</b>	3403.0703	1645.5100	1001.2100
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0235	0.0236	0.0250
<b>Benchmark Index</b>	BSE 200		

\* Absolute returns

Historical Per Unit Statistics	MIRAE ASSET CASH MANAGEMENT FUND		
	April 01, 2016 to 31 March 2017	April 01, 2015 to 31 March 2016	April 01, 2014 to 31 March 2015
<b>Date of Launch</b>	<b>05-Jan-09</b>		
<b>Date of Allotment</b>	<b>12-Jan-09</b>		
<b>NAV at the beginning of the year / Date of Allotment:</b>			
Regular - Dividend Plan (Daily)	1060.8499	1056.9340	1054.8394
Regular - Dividend Plan (Monthly)	1147.8766	1143.9672	1141.4111
Regular - Dividend Plan (Weekly)	1147.5643	1143.8779	1141.5785
Regular - Growth Option	1591.0067	1477.5816	1420.1079
Direct Daily Dividend	1070.1293	1065.9672	1063.7600
Direct Growth	1604.028	1483.8273	1423.5861
Direct Monthly Dividend	1022.4704	-	-
Direct Weekly Dividend	1204.2344	1195.6297	1190.6949
<b>Dividend:</b>			
<b>Non Corporate</b>			
Regular Plan - Dividend Option (Daily)	48.8931	53.2543	28.8888
Regular Plan - Dividend Option (Weekly)	52.6923	58.7799	31.2273
Regular Plan - Dividend Option (Monthly)	52.4411	58.5586	31.1076
Direct - Dividend Plan (Daily)	50.1214	56.6284	30.4394
Direct - Dividend Plan (Weekly)	53.3039	61.2664	32.1143
<b>Corporate</b>			

Regular Plan - Dividend Option (Daily)	45.2985	49.3391	26.7904
Regular Plan - Dividend Option (Weekly)	48.8184	54.4585	28.9591
Regular Plan - Dividend Option (Monthly)	48.5857	54.2534	28.8481
Direct - Dividend Plan (Daily)	46.4365	52.4651	28.2284
Direct - Dividend Plan (Weekly)	49.3850	56.7622	29.7817
<b>NAV at the end of the year / period (Rs.)</b>			
Regular - Dividend Plan (Daily)	1064.3792	1060.8145	1056.9340
Regular - Dividend Plan (Monthly)	1151.592	1147.1115	1143.9672
Regular - Dividend Plan (Weekly)	1150.8026	1146.7994	1143.8779
Regular - Growth Option	1700.1943	1589.9463	1477.5816
Direct Daily Dividend	1073.7396	1070.0934	1065.9672
Direct Growth	1715.9762	1602.9522	1483.8273
Direct Monthly Dividend	1093.5821	1021.7848	-
Direct Weekly Dividend	1211.9824	1203.4707	1195.6297
<b>% CAGR Return (Since Inception)</b>			
Regular - Growth	6.67	0.0663	0.0648
<b>Benchmark Returns (Since Inception) - CAGR</b>	7.52	0.0758	0.0749
<b>Standard Benchmark</b>	Crisil 91 day T-Bill		
<b>Standard Benchmark Returns</b>		0.0611	0.0699
<b>Net Assets end of the year / period (Rs. In Crores)</b>	245.6489	97.6961	71.6700
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0016	0.0026	0.0034
<b>Benchmark Index</b>	Crisil Liquid Fund Index		

<b>Historical Per Unit Statistics</b>	<b>MIRAE ASSET EMERGING BLUECHIP FUND</b>		
	<b>April 01, 2016 to 31 March 2017</b>	<b>April 01, 2015 to 31 March 2016</b>	<b>April 01, 2014 to 31 March 2015</b>
<b>Date of Launch</b>	<b>24-May-10</b>		
<b>Date of Allotment</b>	<b>9-Jul-10</b>		
<b>NAV at the beginning of the year / Date of Allotment:</b>			
Regular - Dividend Plan	21.197	22.6370	20.9140
Regular - Growth Option	29.82	29.2440	24.8760
Direct Dividend	28.106	27.3520	23.1580
Direct Growth	30.814	29.9380	25.3420
<b>Dividend:</b>			
Regular - Dividend Plan - Non Corporate	2.0000	2.0000	1.8000
Regular - Dividend Plan - Corporate	2.0000	2.0000	1.8000
<b>NAV at the end of the year / period (Rs.)</b>			
Regular - Dividend Plan	27.787	21.1610	22.6370
Regular - Growth Option	42.549	29.7700	29.2440
Direct Dividend	40.409	28.0570	27.3520



Direct Growth	44.311	30.7610	29.9380
<b>% CAGR Return (Since Inception)</b>			
Regular - Growth	24	0.2097	0.2547
<b>Benchmark Returns (Since Inception)</b>	11.43	0.0777	0.0995
<b>Standard Benchmark</b>	Sensex		
<b>Standard Benchmark Returns</b>		0.0632	0.0997
<b>Net Assets end of the year / period (Rs. In Crores)</b>	3521.7757	1320.7100	693.3600
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0238	0.0246	0.0259
<b>Benchmark Index</b>	CNX MIDCAP Index		

\*Absolute returns

Historical Per Unit Statistics	Mirae Asset Great Consumer Fund		
	April 01, 2016 to 31 March 2017	April 01, 2015 to 31 March 2016	April 01, 2014 to 31 March 2015
<b>Date of Launch</b>	9-Mar-11		
<b>Date of Allotment</b>	29-Mar-11		
<b>NAV at the beginning of the year / Date of Allotment:</b>			
Regular - Dividend Plan	13.403	16.3350	15.7640
Regular - Growth Option	20.456	22.3670	19.2550
Direct Dividend	21.172	22.8970	19.6030
Direct Growth	21.245	22.9290	19.6110
<b>Dividend:</b>			
Regular - Dividend Plan - Non Corporate	2	1.5000	2.0000
Regular - Dividend Plan - Corporate	2	1.5000	2.0000
<b>NAV at the end of the year / period (Rs.)</b>			
Regular - Dividend Plan	14.756	13.4050	16.3350
Regular - Growth Option	25.624	20.4590	22.3670
Direct Dividend	26.814	21.1760	22.8970
Direct Growth	26.97	21.2480	22.9290
<b>% CAGR (Since Inception)</b>			
Regular - Growth	16.95	0.1536	0.2224
<b>Benchmark Returns (Since Inception)</b>	14.64	0.1377	0.1969
<b>Standard Benchmark</b>	Sensex		
<b>Standard Benchmark Returns</b>		0.0578	0.0994
<b>Net Assets end of the year / period (Rs. In Crores)</b>	62.4468	39.1036	32.3200
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0294	0.0290	0.0285
<b>Benchmark Index</b>	S&P India & China Weighted Index (Price in INR).		

\*Absolute returns

Historical Per Unit Statistics	MIRAE ASSET CHINA ADVANTAGE FUND		
	April 01, 2016 to	April 01, 2015 to	April 01, 2014 to

	31 March 2017	31 March 2016	31 March 2015
<b>Date of Launch</b>	<b>14-Sep-09</b>		
<b>Date of Allotment</b>	<b>05-Nov-09</b>		
<b>NAV at the beginning of the year / Date of Allotment:</b>			
Regular - Dividend Plan	12.871	15.1190	13.3830
Regular - Growth Option	12.871	15.1190	13.3830
Direct Dividend	13.122	15.3540	13.5630
Direct Growth	13.179	15.3700	13.5670
<b>Dividend:</b>			
<b>NAV at the end of the year / period (Rs.)</b>			
Regular - Dividend Plan	14.558	13.0280	15.1190
Regular - Growth Option	14.558	13.0280	15.1190
Direct Dividend	14.652	13.2820	15.3540
Direct Growth	15.033	13.3400	15.3700
<b>% CAGR Return (Since Inception)</b>			
Regular - Growth	5.2	0.0422	0.0795
<b>Benchmark Returns (Since Inception)*</b>	5.05	0.0367	0.0782
<b>Standard Benchmark</b>	Sensex		
<b>Standard Benchmark Returns</b>		0.0738	0.1080
<b>Net Assets end of the year / period (Rs. In Crores)</b>	7.5838	10.1146	19.5300
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0236	0.0244	0.0242
<b>Benchmark Index</b>	MSCI China Index (in INR Terms)		

\* Absolute returns

<b>Historical Per Unit Statistics</b>	<b>MIRAE ASSET PRUDENCE FUND</b>	
	<b>April 01, 2016 to 31 March 2017</b>	<b>April 01, 2015 to 31 March 2016</b>
<b>Date of Launch</b>	<b>08-Jul-15</b>	
<b>Date of Allotment</b>	<b>29-Jul-15</b>	
<b>NAV at the beginning of the year / Date of Allotment:</b>		
Regular - Dividend Plan	9.770	N.A.
Regular - Growth Option	9.770	N.A.
Direct Dividend	9.872	N.A.
Direct Growth	9.872	N.A.
<b>Dividend:</b>		
Regular - Dividend Plan - Non Corporate	0.2	-
Regular - Dividend Plan - Corporate	0.2	-
Direct - Dividend Plan - Non Corporate	0.2	-
Direct - Dividend Plan - Corporate	0.2	-
<b>NAV at the end of the year / period (Rs.)</b>		
Regular - Dividend Plan	-	9.7790
Regular - Growth Option	-	9.7790

Direct Dividend	-	9.8800
Direct Growth	-	9.8800
<b>% CAGR (Since Inception)</b>		
Regular - Growth	11.66	-0.0221
<b>Benchmark Returns (Since Inception)</b>	7.54	-0.0271
<b>Standard Benchmark</b>	S&P BSE Sensex	
<b>Standard Benchmark Returns</b>		-0.0806
<b>Net Assets end of the year / period (Rs. In Crores)</b>	459.5772	192.0384
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0278	0.0279
<b>Benchmark Index</b>	Crisil Balanced Fund Index	

Historical Per Unit Statistics	MIRAE ASSET TAX SAVER FUND	
	April 01, 2016 to 31 March 2017	April 01, 2015 to 31 March 2016
<b>Date of Launch</b>	20-Nov-15	
<b>Date of Allotment</b>	28-Dec-15	
<b>NAV at the beginning of the year / Date of Allotment:</b>		
Regular - Dividend Plan	9.708	N.A.
Regular - Growth Option	9.708	N.A.
Direct Dividend	9.75	N.A.
Direct Growth	9.75	N.A.
<b>Dividend:</b>		
Regular - Dividend Plan - Non Corporate	0.55	-
Regular - Dividend Plan - Corporate	0.55	-
Direct - Dividend Plan - Non Corporate	0.55	-
Direct - Dividend Plan - Corporate	0.55	-
<b>NAV at the end of the year / period (Rs.)</b>		
Regular - Dividend Plan	12.884	9.7210
Regular - Growth Option	13.443	9.7210
Direct Dividend	13.138	9.7630
Direct Growth	13.706	9.7630
<b>% CAGR (Since Inception)</b>		
Regular - Growth	26.53	-0.0297
<b>Benchmark Returns (Since Inception)</b>	14.6	-0.0308
<b>Standard Benchmark</b>	S&P BSE Sensex	
<b>Standard Benchmark Returns</b>		-0.0266
<b>Net Assets end of the year / period (Rs. In Crores)</b>	322.1246	46.3953
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0269	0.0278
<b>Benchmark Index</b>	S&P BSE 200	

Historical Per Unit Statistics	MIRAE ASSET DYNAMIC BOND FUND
	April 01, 2016 to 31 March 2017
<b>Date of Launch</b>	03-Mar-17
<b>Date of Allotment</b>	24-Mar-17

Historical Per Unit Statistics	MIRAE ASSET DYNAMIC BOND FUND
	<b>April 01, 2016 to 31 March 2017</b>
<b>NAV at the beginning of the year / Date of Allotment:</b>	
Regular - Dividend Plan	10
Regular - Growth Option	10
Direct Dividend	10
Direct Growth	10
<b>Dividend:</b>	
Regular - Dividend Plan - Non Corporate	0
Regular - Dividend Plan - Corporate	0
Direct - Dividend Plan - Non Corporate	0
Direct - Dividend Plan - Corporate	0
<b>NAV at the end of the year / period (Rs.)</b>	
Regular - Dividend Plan	10.0551
Regular - Growth Option	10.0551
Direct Dividend	10.0578
Direct Growth	10.0578
<b>% Absolute Return* (Since Inception)</b>	
Regular - Growth	0.55
<b>Benchmark Returns (Since Inception)</b>	0.59
<b>Standard Benchmark</b>	Crisil Composite Bond Fund Index
<b>Standard Benchmark Returns</b>	
<b>Net Assets end of the year / period (Rs. In Crores)</b>	51.91
<b>Ratio of Recurring Expenses to Average Daily Net Assets</b>	0.0210
<b>Benchmark Index</b>	Crisil Composite Bond Fund Index

\*Absolute returns

**NOTE: Where there is no information on the NAVs and/or dividend, details of such plan(s) have not been provided.**

## II HOW TO APPLY?

Application Forms / Transaction Slips for the Purchase of Units of the Scheme will be available at the ISCs / Distributors. Applications filled up and duly signed by all joint investors should be submitted along with the cheque / draft / other payment instrument to a Designated Collection Centre.

Please refer to the section "HOW TO PAY?" for details of payment.

Applications should be made in adherence to the minimum amount requirements as mentioned in section "MINIMUM PURCHASE & REDEMPTION AMOUNTS".

It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar / AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.

On and from January 01, 2008, submitting a copy of the evidence of having applied for PAN/Form 60/Form 61 will not be valid and it will be mandatory for all investors to provide a certified\* copy of the PAN card for all transactions in Units of the Scheme of the Fund.

As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected. It is mandatory for all investors (including joint holders, NRIs, POA holders and guardians in the case of minors) to furnish such documents and information as may be required to comply with the Know Your Customers (KYC) policies under the AML Laws. Applications without such documents and information may be rejected.

In terms of SEBI circulars dated April 27, 2007, April 03, 2008 and June 30, 2008 read with SEBI letter dated June 25, 2007, Permanent Account Number (PAN) would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction, except (a) investors residing in the state of Sikkim; (b) Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and (c) investors participating only in micro-pension. SEBI, in its subsequent letters dated June 19, 2009 and July 24, 2012 has conveyed that systematic investment plans (SIP) and lumpsum investments (both put together) per mutual fund up to Rs.50,000/- per year per investor shall be exempted from the requirement of PAN. Thus, all investors (including resident and non-resident investors) have to provide PAN, along with a certified\* copy of the PAN card for all transactions in Units of the Scheme irrespective of the amount of transaction. In case of investors who do not provide a certified\* copy of the PAN card, the application for transaction in units of the Scheme of the Fund could be rejected.

Accordingly, investments in Mirae Asset Mutual Fund (including SIP investment where the aggregate of SIP installments in a rolling 12 months period or in a financial year i.e. April to March) of upto Rs 50,000/- per investor per year shall be exempt from the requirement of PAN.

### **WAIVER OF LOAD FOR DIRECT APPLICATIONS**

Pursuant to SEBI circular no. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009 no entry load shall be charged for all mutual fund schemes. Therefore, the procedure for waiver of load for direct applications is no longer applicable.

The scheme application forms carries suitable disclosure to the effect that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.

The distributors are required to 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.

The aforesaid provisions shall be applicable for:

- Investments in mutual fund schemes (including additional purchases and switch-in to a scheme from other schemes) with effect from August 1, 2009.
- Redemptions from mutual fund schemes (including switch-out from other schemes) with effect from August 1, 2009.
- New mutual fund schemes launched on and after August 1, 2009,
- Systematic Investment Plans (SIP) registered on or after August 1, 2009.

**Know Your Customer (KYC):** The need to "Know Your Customer" is vital for the prevention of money laundering. In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML

Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors.

### **Revision in Know Your Customer (KYC) Procedure w.e.f. February 1, 2017:**

#### **For Individual Investors:**

The Government of India has authorized *the Central Registry of Securitization and Asset Reconstruction and Security interest of India* (CERSAI, an independent body), to perform the function of Central KYC Records Registry including receiving, storing, safeguarding and retrieving KYC records in digital form.

Accordingly, in line with SEBI circular nos. CIR/MIRSD/66/2016 dated July 21, 2016 and CIR/MIRSD/120/2016 dated November 10, 2016 on Operationalisation of Central KYC (CKYC), read with AMFI Best Practice Guidelines circular no. 68/2016-17 dated December 22, 2016, new individual investors investing in the Schemes of the Fund are requested to note the following changes, from **February 1, 2017**:

1. New individual investors who have never done KYC under KRA (KYC Registration Agency) regime and whose KYC is not registered or verified in the KRA system will be required to fill the new CKYC form while investing with the Fund.

CKYC is currently not applicable for Non-Individual Investors. All new Non Individual Investors will continue with the old KRA KYC form.

2. If any new individual investor uses the old KRA KYC form which does not have all the information needed for registration with CKYC, then such investor will be required to either fill the new CKYC form or provide the missing/additional information using the Supplementary CKYC form.

3. Investors who have already completed CKYC and have a KYC Identification Number (KIN) from the CKYC platform can invest in schemes of the Fund quoting their designated KIN issued by CKYC on the application form (14 digits for normal accounts and 15 digits for simplified and small accounts). Further, in case the investor's PAN is not updated in CKYC system, a self-certified copy of PAN Card will need to be provided.

Further, the investors may please note that the AMC/ Mutual Fund shall use the KIN of the investors to download the KYC information from CKYC and update its records as and when required.

The CKYC form and Supplementary CKYC form for individual investors and common application forms are available on the AMC's website. Further, the Aadhar based E-KYC facility for the transactions through the website of the Fund has been withdrawn.

#### **For Non-Individual Investors:**

Pursuant to SEBI Circular no. MIRSD/ Cir-26/ 2011 dated December 23, 2011, SEBI (KYC Registration Agency) Regulations, 2011 and SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011, regarding uniformity in the Know Your Customer (KYC) process in the securities market and development of a mechanism for centralization of the KYC records to avoid duplication of KYC Process across the intermediaries in the securities market and further to simplify KYC norms and make it more investor friendly, Mirae Asset Trustee Company Pvt. Limited, the Trustee to Mirae Asset Mutual Fund ("Mutual Fund"), with effect from January 1, 2012 (the "Effective Date"), has decided to make the following changes:



SEBI has introduced a common KYC Application Form for all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes, etc.

For this purpose, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus, each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA. CVL (CDSL Ventures Ltd.), who was retained by the mutual funds for centralized registration and record keeping of KYC records, has recently obtained SEBI registration as a KRA.

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

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

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

For investments in a mutual fund, the Asset Management Companies, Registrar and Transfer Agents of mutual funds and distributors which comply with the certification process of National Institute of Securities Market or Association of Mutual Funds in India and have undergone the process of "Know Your Distributors" are authorised to carry out the IPV. Unless the IPV process is completed, the investor will not be considered as KYC compliant under the new KYC compliance procedure and hence will not be permitted to make any investment in the Fund.

For investors proposing to invest with the Fund directly (i.e. without being routed through any distributor), IPV done by a scheduled commercial bank may also be relied upon by the Fund.

- a. Attestation of documents and IPV shall be conducted only by the authorised employees of AMC, the RTA appointed by the AMC and the distributors who comply with the certification process of National Institute of Securities Market (NISM) or Association of Mutual Funds in India (AMFI) and have undergone the process of 'Know Your Distributor (KYD).
- b. AMFI registered distributors also need to ensure that their registration is valid and have furnished necessary mandatory requirements such as self declaration, etc.
- c. The following shall be recorded on the KYC form;

- I. Name of the person doing attestation of documents/IPV, his designation, organization, his signatures and date of IPV.
- II. ARN code and name of the distributor in case of attestation/IPV done by a valid ARN holder.
- III. In case the attestation/IPV is done by a sub broker, the sub broker conducting the attestation/IPV shall:
  - (i) Comply with the certification process of National Institute of Securities Market (NISM) or Association of Mutual Funds (AMFI) and have undergone the process of 'Know Your Distributor (KYD).
  - (ii) Affix on the KYC application form, in addition to his ARN code, the ARN code of the main distributor and the sub broker code allotted to him by the main distributor.
- d. In case of attestation/IPV done by a sub broker, the main distributor under whose code the folio is opened shall also be responsible for the KYC process, including the IPV, conducted by the sub broker.
- e. In case of applications received as "Direct" (not through a distributor), mutual funds may rely on attestation/IPV performed by an authorised official of a scheduled commercial bank.
- f. Attested copies of the KYC documents can be accepted, if the same are attested by the list of people authorised to attest the documents, as mentioned on the KYC forms.
- g. Entities / Authorised persons undertaking verification of documents and the IPV shall exercise due care and diligence while validating the documents and verifying the identity of the client in-person.
- h. Various due diligences to be exercised by the distributors (including sub-brokers who are registered with AMFI) while conducting the KYC process will form part of Code of Conduct prescribed for distributors.

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

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

New KYC form can be submitted by an investor along with an investment application (purchase / additional purchase / switch / SIP mandate form / mandate form) and not on a stand alone basis, as was possible prior to 31/12/2011. However, an investor who has investments in any mutual fund and is not KYC compliant may submit new uniform KYC form to the mutual fund by quoting the folios number.

**For Micro Applications:** In accordance with AMFI circular dated June 30, 2009 and final AMFI Guidelines received on July 14, 2009 and SEBI letter to AMFI dated July 24, 2012, investments in Mutual Fund (including SIP investment where the aggregate of SIP installments in a rolling 12 months period or in a financial year i.e. April to March) of upto Rs. 50,000/- per investor per year shall be exempt from the requirement of PAN. However, eligible Investors (including joint holders) should comply with the KYC requirement through registered KRA by submitting Photo Identification

documents as proof of identification and the Proof of Address [self-attested by the investor / attested by the ARN Holder/AMFI distributor]. These exempted investors will have to quote the “PERN (PAN exempt KYC Ref No) in the application form. This exemption of PAN will be applicable only to investments by individuals (including NRIs but not PIOs), joint holders, Minors and Sole proprietary firms. PIOs, HUFs and other categories of investors will not be eligible for this exemption.

Thus, submission of PAN is mandatory for all other investors existing as well as prospective investors (except the ones mentioned above) (including all joint applicants/holders, guardians in case of minors, POA holders and NRIs but except for the categories mentioned above) for investing with mutual funds from this date. Investors are required to register their PAN with the Mutual Fund by providing the PAN card copy (along with the original for verification which will be returned across the counter). All investments without PAN (for all holders, including Guardians and POA holders) are liable to be rejected.

Application Forms without quoting of PERN shall be considered incomplete and are liable to be rejected without any reference to the investors. The procedure implemented by the AMC and the decisions taken by the AMC in this regard shall be deemed final.

The following transactions will not be covered as they are currently not considered either for PAN or KYC requirement:

- Redemption
- Switch
- Systematic Transfer Plans
- Systematic Withdrawal Plans
- Dividend Reinvestments / Sweep transactions

**However, new investors will also have to fill up the new KYC form along with the IPV requirements.**

Mutual Funds shall accept any of the standard specified identification instruments like Voter ID card, Government/Defense ID card, Card of Reputed employer, Driving License, Passport, etc. in lieu of PAN with effect from August 1, 2009.

In view of the above, Investors are requested to enclose copies of any of the said document(s) which shall be self attested and also attested by the ARN Holder.

Investors with PAN are not eligible for simplified KYC Procedure.

In accordance with AMFI circular dated June 30, 2009, on exemption of PAN for Systematic Investment Plans (SIP) upto Rs. 50,000 per year per investor, with effect from August 1, 2009;

- Investors (including joint holders) must submit a photocopy of any one of the documents identified mentioned above along with Micro SIP applications.
- Supporting document must be current and valid.
- Supporting document copy shall be self-attested by the investor.
- While making subsequent Micro SIP applications with a mutual fund, investor can quote the existing folio number where a Micro SIP has been registered and therefore need not resubmit the supporting document.

#### **UNIFORM IMPLEMENTATION OF KYC REQUIREMENTS:**

In line with SEBI circular no. MIRSD/Cir-5/2012 dated April 13, 2012 and in terms of AMFI Best Practice guidelines no. 62/2015-16 dated September 18, 2015, the investors may note that in order to

make investments in the schemes of MAMF, for all the new investors with effect from November 01, 2015 and for all the existing investors with effect from January 01, 2016:

- It shall be mandatory to provide / update 'Ultimate Beneficial Ownership' declaration / information.
- It shall be mandatory to provide additional KYC information / details as prescribed in the Application Form.
- The AMC shall not accept any transactions (whether fresh or additional subscriptions / switches) pertaining to 'KYC-On Hold' cases, unless and until the Investors / Unitholders submits KYC missing information or updated information and / or complete IPV, which the respective AMC / intermediary shall update in KRA-KYC system promptly.

### THIRD PARTY PAYMENTS:

Mirae Asset Mutual Fund has decided to restrict the acceptance of Third Party Payments effective from November 15, 2010 (Effective Date) in accordance with AMFI guidelines. Accordingly third party payment instruments for subscriptions/ investments shall not be accepted by the AMC except in the following cases:

i) Payment by Parents / Grand-Parents / Related Persons\* on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000 for each regular purchase or per SIP installment; however this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.

ii) Payment by employer on behalf of employee under Systematic Investment Plan (SIP) facility or lump sum / one-time subscription through payroll deductions or deductions out of expenses reimbursements. Asset management companies should exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and KYC perspectives;

iii) Custodian on behalf of an FII or a Client.

iii.a.) Payment by AMC to a Distributor empanelled with it on account of commission/incentive etc. in the form of the schemes of Mirae Asset Mutual Fund through Systematic Investment Plans or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time. The AMC shall exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and ensure compliance with provisions of PMLA Act regarding prevention of money laundering etc.

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

*\* 'Related Person' means any person investing on behalf of a minor in consideration of natural love and affection or as a gift.*

In cases a payment is covered under above exceptions, the following additional documents are also required to be mandatorily provided together with the Application Form:-

- (i) Mandatory KYC Acknowledgment letter for all investors (guardian in case of minor) **and** the person making the payment i.e. third party.

(ii) Submission of a separate, duly filed and valid '**Third Party Payment Declaration Form**' from the investors (guardian in case of minor) and the person making the payment i.e. third party. The said form shall be available on the AMC Website/ at Investor Service Centres.

Investors are requested to further note as follows:

1. **Registration of Pay-in Bank account:** The investor at the time of his subscription for units must provide the details of his Pay-in bank account (i.e. account form which subscription payment is made) and his Pay-out bank account (i.e account into which redemption/ dividend proceeds are to be paid). The details on facility for registration of Multiple Bank Accounts are mentioned hereafter.
2. **Subscription through Pre-funded instruments like Pay Order /Demand Draft etc:** In case of subscription through pre-funded instruments such as Pay Order- Demand Draft/ Bankers Cheque, such pre-funded instruments should be procured by the Investor against registered pay-in account. Along with the payment instrument, the Investor is also required to submit a Certificate from the Banker issuing the pre-funded payment instrument stating the account holders name and the account number from which the amount has been debited for the issue of the instrument.
3. **Subscription through Pre-funded instruments (Demand Draft, Pay-order etc.) procured against cash:** Subscription through Pre-funded instruments procured against cash shall only be accepted for investments below Rs. 50,000/-. Investor is required to provide a certificate from Banker stating the name, address and PAN (if available) of the person requisitioning such pre-funded instruments.
4. **Subscriptions through RTGS, NEFT, ECS, bank transfer etc:** In such case, Investor is required to provide a copy which has been provided to the Bank indicating the account number and the debit instructions.
5. **For payment through online mode,** AMC may match payer account details with registered Pay-in-bank accounts of the investor.

All the above mentioned documents, to the extent applicable, are required to be provided with the Application Form.

The above broadly covers the various modes of payment for mutual fund subscriptions. The above list is not a complete list and is only indicative in nature and not exhaustive. Any other method of payment, as introduced by the Mutual Fund, will also be covered under these provisions.

Investors transacting through BSE StAR MF Platform under the electronic order collection system will have to comply with norms / rules as prescribed by Stock Exchange(s).

In case the application for subscription is not in accordance with the above provisions, the AMC reserves the right to reject the application.

**Safe Mode for Writing/ Drawing Cheques:** In order to prevent fraudulent practices, it is recommended that the subscription payment instruments such as cheque/ demand draft/ pay order be drawn in the favour of scheme account followed by the name of the sole or 1<sup>st</sup> joint holder/ his PAN/ folio number.

For e.g. "ABC Scheme A/c Permanent Account Number" or "ABC Scheme A/c First Investor Name" or "ABC Scheme A/c-Folio Number".

**Applications incomplete in any respect (other than mentioned above) will be liable to be rejected.**

The KYC status will be validated with the records of the Central Agency before allotting units of the scheme of Mirae Asset Mutual Fund, which in turn will not be held responsible and / or liable for rejection of KYC form, if any, by the Central Agency.

Provided further, where it is not possible to verify the KYC compliance status of the investor at the time of allotment of units, the Trustee / AMC shall verify the KYC compliance status of the investor within a reasonable time after the allotment of units. In the event of non-compliance of KYC requirements, the Trustee / AMC reserves the right to freeze the folio of the investor(s) and if necessary and deemed fit affect mandatory redemption of unit holdings of the investors at the applicable NAV, subject to payment of exit load, if any and recovery of unamortized NFO expenses.

@Valid only where investors who have already obtained the erstwhile Mutual Fund Identification Number (MIN) by submitting the PAN copy as the Proof of Identity.

*\*Investors are requested to submit a copy along with the original for verification at the Investor Service Centers of the Fund/Karvy Computershare Private Ltd., which will be returned across the counter. A Bank Manager's attestation or a Notarized copy will also be accepted.*

Following shall be the uniform procedure for implementation of the SEBI letter.

#### **Applicability & Transactions covered:**

##### **KYC procedure:**

- New investors will also have to fill up the new KYC form along with the IPV requirements.
- Investors (including joint holders) will submit a photocopy of any one of the documents identified above along with Micro SIP applications.
- Supporting document must be current and valid.
- Supporting document copy shall be self-attested by the investor.
- While making subsequent micro applications with a mutual fund, investor can quote the existing folio number where a Micro application has been registered and therefore need not resubmit the supporting document.
- Existing forms may be modified to provide for additional columns for (1) marking the application as 'Micro Application' (2) providing the date of birth and (3) listing the type of the supporting document and identification number (if any).
- RTA will capture the details as part of the investor registration.

Any one of the following PHOTO IDENTIFICATION DOCUMENTS can be submitted along with Micro SIP applications as proof of identification in lieu of PAN.

- Voter Identity Card
- Driving License
- Government / Defence identification card
- Passport
- Photo Ration Card
- Photo Debit Card (Credit card not included because it may not be backed up by a bank account).



- Employee ID cards issued by companies registered with Registrar of Companies (database available in the following link of Ministry of Company affairs <http://www.mca.gov.in/DCAPortalWeb/dca/MyMCALogin.do?method=setDefaultProperty&mode=31>)
- Photo Identification issued by Bank Managers of Scheduled Commercial Banks / Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament
- ID card issued to employees of Scheduled Commercial / State / District Co-operative Banks.
- Senior Citizen / Freedom Fighter ID card issued by Government.
- Cards issued by Universities / deemed Universities or institutes under statutes like ICAI, ICWA, ICSI.
- Permanent Retirement Account No (PRAN) card issued to New Pension System (NPS) subscribers by CRA (NSDL).
- Any other photo ID card issued by Central Government / State Governments /Municipal authorities / Government organizations like ESIC / EPFO.

In addition to the photo identification documents referred above, the AMC shall take a copy of the proof of address which is self attested and attested by the ARN holder.

In order to protect investors from frauds, it is advised that the Application Form number / folio number and name of the first investor should be written overleaf the cheque / draft, before they are handed over to any courier / messenger / distributor / ISC.

In order to protect investors from fraudulent encashment of cheques, the Regulations require that cheques for Redemption of Units specify the name of the Unit Holder and the bank name and account number where payments are to be credited. Hence, all applicants for Purchase of Units must provide a bank name, bank account number, branch address, and account type in the Application Form.

**Investors are requested to note that Mirae Asset Mutual Fund shall adopt the following process for change/ updation of Mandate Bank Account / Change of Address w.e.f. 1st May, 2012:**

#### **A. Process for change in Bank Mandate**

1. Investors must submit duly filled “Multiple Bank Account Registration Form or Change of Bank Mandate form” at any of the official point of acceptance of transaction of Mirae Asset Mutual Fund.
2. The investors must submit in original any one of the following documents of the new bank account:
  - a. Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the cheque.
  - b. Self-attested copy of bank statement.
  - c. Bank passbook with current entries not older than 3 months.
  - d. Bank Letter duly signed by branch manager/authorized personnel.
3. If photocopies of the above stated documents are submitted, investor must produce the original for verification at the official point of acceptance of transaction. The original shall be returned to the investor over the counter upon verification. Kindly note that if the originals are not produced for verification, then the photocopies submitted should be attested in original by the Branch Manager or Authorised personnel of the Bank.
4. There shall be a cooling period of 10 calendar days for validation and registration of new bank account. In case of receipt of redemption request during this cooling period, the validation of new Bank mandate and dispatch of redemption proceeds shall be completed within 10 working days to the

new bank account; however, the AMC reserves the right to process the redemption request in the old bank mandate, if the credentials of the new bank mandate cannot be authenticated.

5. In case, the request for change in bank mandate is invalid/incomplete/dissatisfactory in respect of signature mismatch/document insufficiency/not complying with any requirement as stated above, the request for such change will not be processed and redemption/Dividend proceeds, if any, will be processed in the last registered Bank account.

## **B. Process for change in Address**

1. Investors must submit duly filled “Change of Address form” along with any one of the following documents at any of the official point of acceptance of transaction of Mirae Asset Mutual Fund.

### **a. KYC Not Complied Folios/Clients:**

- Proof of new Address, and
- Proof of Identity (POI): Only PAN card copy if PAN is updated in the folio, or PAN/other proof of identity if PAN is not updated in the folio.

### **b. KYC Complied Folios/Clients**

- Proof of new Address (POA),
- Any other document/form that the KRA may specify from time to time.

2. Investors are requested to note that if photocopies of the above stated documents are submitted, it must be produced along with the original for verification at the official point of acceptance of transaction. The original shall be returned to the investor over the counter upon verification. Kindly note if the originals are not produced for verification, then the photocopies submitted should be properly attested/verified by the entities authorised for attesting/verification of the documents.

**Any request for Change in Bank Mandate/Change in Address must be submitted independently of any other transaction; however if so submitted, such request for change will not be considered for processing.**

## **C. PROCESS FOR REGISTRATION OF MULTIPLE BANK ACCOUNTS**

In compliance with AMFI Best Practice Guidelines Circular No. 17/10-11 dated October 22, 2010, Mirae Asset Mutual Fund (Fund) offers its unitholders, a facility to register more than one bank account with the Fund to receive redemption/ dividend proceeds. The unitholder may choose to receive the redemption/ dividend proceeds in any of the bank accounts, the details of which are registered under the said facility by specifying the necessary details in the “Bank Account Registration form” which will be available at our Investor Service Centers/ Registrar and Transfer Agents offices and on the website of the Fund. Individuals, HUFs, sole proprietor firms can register upto five bank accounts and non-individual investor can register upto ten bank accounts in a folio. Any more bank accounts (over and above the maximum as specified herein) even if mentioned or provided, will not be registered unless accompanied by deletion request to delete any existing registered bank account(s).

Investor/s or/Unit Holder/s are requested to note that any one of the following documents of the bank account mentioned in the application form along with Multiple Bank Account Registration Form, shall be submitted by the investor/s, in case the cheque provided along with fresh subscription/new folio creation does not belong to the bank mandate specified in the application form:

- Original cancelled cheque having the First Holder Name printed on the cheque [or]

- Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application [or]
- Photocopy of the bank statement/bank pass book duly attested by the bank manager and bank seal preferably with designation and employee number [or]
- Photocopy of the bank statement/passbook/cancelled cheque copy duly attested by the AMC/Karvy Computershare Private Limited, Registrar of the Fund ('RTA') branch officials after verification of original bank statement/passbook/cheque shown by the investor or their representative [or]
- Confirmation by the bank manager with seal, on the bank's letter head with name, designation and employee number confirming the investor details and bank mandate information.

Mutual Fund will try and remit Redemption/Dividend payment (if any) directly to the last registered/default bank account of the unit holders. While, the Mutual Fund, reserves the right to issue a Cheque/DD to any bank account, in case of ambiguity where Multiple Bank accounts are registered, the Mutual Fund, will arrange to credit the proceeds to the default bank account. However, if the remittance is delayed or not affected for reasons of incomplete or incorrect information, Mutual Fund shall not be held liable for the same.

For the purpose of registration of bank account(s), investor should submit Bank Mandate Registration Form together with Cancelled cheque leaf in respect of bank account to be registered or if the bank account number on the cheque leaf is handwritten or the name is not printed on the face of the cheque, a copy of the bank statement/ pass book page with the Investors bank account number, name and address shall be provided.

The unitholder can choose any one of the registered bank accounts as default bank account. However, in case a unitholder does not specify the default bank account, the fund reserves the right to designate any one of the registered bank accounts as a default bank account. Unitholder may also note that a third party payment is not used for mutual fund subscription. If unit holder(s) provide a new and unregistered bank mandate or a change of bank mandate request with specific redemption/ dividend payment request (with or without necessary supporting documents) such bank account may not be considered for payment or redemption/ dividend proceeds, or the fund may withheld the payment for upto 10 calendar days to ensure validation of new bank mandate mentioned.

The Fund/ Registrar and Transfer Agent (RTA) shall adopt the same process of verification for above registration as is applicable for a registration/change in bank mandate.

### **How to Pay? OR Mode of Payment**

#### **Resident Investors:**

All cheques / drafts / payment instrument must be drawn favoring Scheme name. They should be crossed "Account Payee only". A separate cheque / draft / payment instrument must accompany each application. If the amount mentioned in the application is different from the amount mentioned in the accompanying cheque / demand draft/payment instrument, then the AMC reserves the right to reject such ambiguous applications.

Payment can be made by either:

- Cheque
- Draft (i.e. demand draft or bank draft) or
- A payment instrument (such as pay order, banker's cheque, etc.)

The cheque should be payable at a bank's branch, which is situated at and is a member of the Banker's Clearing House/Zone in the city where the application is submitted to a Designated Collection Centre. No outstation cheques/post dated cheques/non MICR cheques will be accepted.

The following modes of payment are not valid, and applications accompanied by such payments are liable to be rejected.

- Outstation cheques will **not** be accepted (i.e. if the cheque is payable at a bank's branch which does not participate in the local clearing mechanism of the city where the application is submitted).
- Cash, money orders or postal orders will **not** be accepted.
- Post-dated cheques (except for applications for purchasing Units under SIP of the Scheme) will not be accepted.

If the applicant is a resident of a city not serviced by an Investor Service Centre or the collection bank is not present, as designated by the AMC from time to time, and submits a demand draft (DD) for the investment amount, the AMC shall bear the bank charges for the DD incurred by the applicant for such payment, by allotting Units for the amount inclusive of such DD charges. The Fund will bear the demand draft charges subject to maximum of Rs. 50,000/- per transaction for purchase of units by investors residing at location where the Asset Management Company (AMC's) Customer Service Centers/ Collection Centers are not located as mentioned in the table below:

Amount of investment	Rate of Charges of Demand Draft(s)
Upto Rs. 10,000/-	At actuals, subject to a maximum of Rs. 50/-
Above Rs. 10,000/-	Rs. 3/- per Rs. 1,000/-
Maximum Charges	Rs. 50,000

AMC reserves the right to refuse bearing of demand draft charges, in case of investments made by the same applicant(s) through multiple applications at its own discretion which will be final and binding on the investor.

Investors residing at places other than where the AMC Customer Service Centers/ Collection Centers are located are requested to make the payment by way of demand draft(s) after deducting charges as per the rates indicated in the above table. It may be noted that additional charges, if any, incurred by the investor over and above the levels indicated above will not be borne by the Fund.

No demand draft charges will be borne by the Fund for purchase of Units by investors residing at such locations where the Customer Service Centers/Collection Centers of the AMC are located.

The Trustee shall have absolute discretion to accept/reject any application for purchase of Units, if in the opinion of the Trustee, increasing the size of Scheme's Unit capital is not in the general interest of the Unitholders, or the Trustee for any other reason believes it would be in the best interest of the Schemes or its Unitholders to accept/reject such an application.

The AMC shall, however, not refund any DD charges to the investor under any circumstances.

**Note:** The Trustee, at its discretion at a later date, may choose to alter or add other modes of payment.

#### **INTRODUCTION OF DIRECT PLAN FOR INVESTING DIRECTLY WITH THE FUND (APPLICATIONS NOT ROUTED THROUGH DISTRIBUTORS)**

Pursuant to SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by Securities and Exchange Board of India (SEBI), investors are requested to note that Mirae Asset Trustee Company Private Limited, Trustee to Mirae Asset Mutual Fund ("Fund"), has introduced a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder ("Distributor") (hereinafter referred to as "Direct Plan") with effect from January 1, 2013 ("Effective Date") as under:

- 1. Introduction of Direct Plan:** Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.
- 2. Scheme eligibility:** Direct Plan shall be introduced in the following schemes of the Fund:
  - (a) all open-ended schemes of the Fund except for Plans/Options discontinued for further subscriptions; and
  - (b) New Fund Offer of Fixed Maturity Plans under close-ended schemes of the Fund launched on or after the Effective Date; (hereinafter collectively referred to as “the Schemes”).
- 3. Plans / Options / Sub-options:** All Plans / Options / Sub-Options offered under the Schemes (“Existing Plan”) will also be available for subscription under the Direct Plan. Thus, from the Effective Date, there shall be an Additional Plan available for subscription under the Schemes viz., Direct Plan, in addition to the already available Existing Plan and portfolio of the Scheme(s) under the Existing Plan and Direct Plan will be common.

**Example 1: Scheme – Mirae Asset India Opportunities Fund**

	<b>Existing Plan</b>	<b>Direct Plan (introduced w.e.f. January 1, 2013)</b>
<b>Subscription Plan</b>	Mirae Asset India Opportunities Fund	Mirae Asset India Opportunities Fund – Direct Plan
<b>Investment Route</b>	Investors routing their investments through Distributor	Investors investing directly with the Fund
<b>Options</b>	<ul style="list-style-type: none"> <li>• Growth Option</li> <li>• Dividend Option (Payout and Re-investment options)</li> </ul>	<ul style="list-style-type: none"> <li>• Growth Option</li> <li>• Dividend Option (Payout and Re-investment options)</li> </ul>

Thus, investors subscribing under Direct Plan of Mirae Asset India Opportunities Fund will have to indicate the Scheme / Plan name in the application form as “**Mirae Asset India Opportunities Fund – Direct Plan**”.

- 4. Scheme characteristics:** Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Existing Plan and the Direct Plan except that 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.

**Exit Load:** It is clarified that no exit load shall be charged for any switches between Existing Plan and Direct Plan where the transaction has not been routed through the Distributor (i.e. received without distributor code) in the Existing Plan.

However, in case of transactions that have been received through a Distributor (i.e. received with distributor code) in the Existing Plan, switches to Direct Plan from such folios shall be subject to applicable load structure, if any. It is further clarified that no exit load shall be levied in case of switches from Direct Plan to Existing Plan with a distributor code.

Further, for the purpose of determining the exit load period at the time of redemptions, the date of allotment of units shall also be considered in the holding period of the investors.

- 5. Applicable NAV and allotment of units:** Separate NAVs will be calculated and published for Direct Plan.



**For All Scheme(s):** Units shall be allotted for valid applications received on any business day before the cut-off time (subject to provisions on realization of funds) under Direct Plan(s), at the applicable Net Asset Value (NAV) of the corresponding option of the Direct Plan.

- (a) Where application is received without any Distributor Code in the Existing Plan **before cut-off time** on December 31, 2012, but the Applicable NAV based on realization of funds is on or after the Effective Date e.g. January 2, 2013, the Units will be allotted under Existing Plan and not under Direct Plan.
  - (b) Where application is received without any Distributor Code in the Existing Plan **after cut-off time** on December 31, 2012, the same shall be deemed to have been received on the next Business Day and hence the Units will automatically be allotted under the Direct Plan at Applicable NAV.
6. **Eligible investors / modes for applying:** All categories of investors (whether existing or new Unitholders) as permitted under the SID of the Schemes are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund {except Stock Exchange Platform(s) and all other Platform(s) where investors' applications for subscription of units are routed through Distributors}.
7. **How to apply:** Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "**Mirae Asset India Opportunities Fund – Direct Plan**". Investors should also indicate "Direct" in the ARN column of the application form. However, in case Distributor code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan. Further, where application is received for Existing Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan. If the Scheme name on the application form and on the payment instrument is different, the application may be processed and units allotted at applicable NAV of the scheme mentioned in the application / transaction slip duly signed by investor(s).
8. **Existing Investments:**
- (a) Investors wishing to transfer their accumulated unit balance held under Existing Plan (through lumpsum / systematic investments made with or without Distributor code) to Direct Plan will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Plan.
  - (b) Investors who have invested without Distributor code and have opted for Dividend Reinvestment facility under Existing Plan may note that the dividend will continue to be reinvested in the Existing Plan only.
9. **Investments through systematic routes:**
- (a) In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) registered prior to the Effective Date **without any distributor code** under the Existing Plan, installments falling on or after the Effective Date will automatically be processed under the Direct Plan.
  - (b) Investors who had registered for Systematic Investment Plan facility prior to the Effective Date **with distributor code** and wish to invest their **future installments** into the Direct Plan, shall make a written request to the Fund in this behalf. The Fund will take at least 15 days to process such requests. Intervening installments will continue in the Existing Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment shall continue to apply.



(c) In case of the following facilities which were registered under the Existing Plan prior to the Effective Date, the future installments shall continue under the Existing Plan:

- (i) All trigger facilities (registered with or without Distributor Code) and
- (ii) Systematic Transfer Facilities (registered with Distributor Code)

In case such investors wish to invest under the Direct Plan through these facilities, they would have to cancel their existing enrolments and **register afresh** for such facilities.

10. **Redemption requests:** Where Units under a Scheme are held under both Existing and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Existing Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.

11. **Tax consequences:** Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests.

#### **EMPLOYEE UNIQUE IDENTIFICATION NUMBER (EUIN):**

Pursuant to Securities and Exchange Board of India (SEBI) circular number CIR/IMD/DF/21/2012 dated September 13, 2012, investor/s shall have the provision in the application / transaction form to specify the unique identity number (EUIN) of the employee/relationship manager/sales person (sales person) of the distributor interacting with the investor/s for the sale of mutual fund products, along with the Association of Mutual Fund in India (AMFI) Registration Number (ARN) of the distributor. Investors are hereby requested to note the following with respect to EUIN:

1. AMFI has allotted EUIN to all the sales person of AMFI registered distributors and to all the Individual ARN holders including senior citizens.
2. Investor/s shall specify the valid ARN code, and the valid EUIN of the sales person/Individual ARN holders in the application/transaction form. This will assist in handling the complaints of mis-selling, if any, even if the sales person on whose advice the transaction was executed leaves the employment of the distributor.
3. Investors are requested to use the new application /transaction forms which have space for sub-broker ARN code and EUIN.

Signature(s) in application form should be in English or in any of the Indian languages specified in the Eighth Schedule of the Constitution of India. Thumb impressions and signatures in languages not specified in the Eighth Schedule of the Constitution of India should be attested by a magistrate or a Notary Public or a special Executive Magistrate under his/her official seal. Applications by minors should be signed by their guardian(s). In the case of an HUF, the Karta should sign on behalf of the HUF. In the case of company, Authorized officials should sign the form under their official designation and company seal. A list of specimen signatures of the authorized officials, duly certified and attested should also be attached to the application form. In case of trust fund, a resolution from the trustee(s) authorizing such purchase or investment should be submitted.

#### **NRIs OR FIIs OR Sub Account of FIIs:**

#### **Repatriation Basis:**

In the case of NRIs / PIOs, payment may be made either by inward remittance through normal banking channels or out of funds held in a Non - Resident (External) Rupee Account (NRE) /Foreign Currency (Non-Resident) Account (FCNR).

FIs may pay their subscriptions either by inward remittance through normal banking channels or out of funds held in a Non-Resident Rupee Account maintained with the designated branch of an authorized dealer in accordance with the relevant exchange management regulations.

- Applications on a Repatriable basis will be made by remitting funds from abroad through normal banking channels or by submitting payments made by demand drafts/pay orders/banker's cheque or by cheques drawn on NRE accounts or through Special Non-Resident Rupee Accounts maintained with banks authorized to deal in foreign exchange in India.
- NRI applicants who invest through Demand Drafts/ Banker's Cheques/ Pay Orders by debit to a NRE/FCNR account are also required to submit the FIRC (Foreign Inward Remittance Certificate) in original along with the application form at the time of applying.  
FIRC is not required for investments made through cheques drawn on NRE accounts or through Special Non-resident Rupee Accounts where the cheque clearly indicates that the account type is an NRE account through which the Investment is done.

If the purchase is through a DD from any bank or an exchange company then the said FIRC confirming that the DD was drawn or made through your NRE source of funds would be required each and every time you give us a purchase request.

- All investors may make only a cheque/DD for the application amount payable to the scheme as specified in the application form. The investors are advised to fill up the details of their bank account numbers on the application form in the space provided. No cash would be accepted. If the investments are through your NRE cheque than the bankers certificate etc. will not be required.

#### **Non-repatriation Basis:**

In the case of NRIs, payment may be made either by inward remittance through normal banking channels or out of funds held in an NRE / FCNR / Non-Resident Ordinary Rupee Account (NRO).

#### **Applicants under Power of Attorney:**

An applicant wanting to transact through a power of attorney must lodge the photocopy of the Power of Attorney (PoA) attested by a Notary Public or the original PoA (which will be returned after verification) within 30 Days of submitting the Application Form / Transaction Slip at a Designated Collection Centre. Applications are liable to be rejected if the power of attorney is not submitted within the aforesaid period.

#### **Companies/Corporate Bodies/Registered Societies/Trusts/Partnerships:**

In case of an application by a company, body corporate, society, mutual fund, trust or any other organization not being an Individual, a duly certified copy of the relevant resolution or document along with the updated Specimen Signature list of Authorized Signatories must be lodged within 7 Business Days along with the Application Form / Transaction Slip at a Designated Collection Centre. Further, the AMC may require that a copy of the incorporation deeds / constitutive documents (e.g. Memorandum and Articles of Association) be also submitted to the Registrar. Requests for redemption may not be processed if the necessary documents are not submitted within the aforesaid period.

#### **Beneficial Ownership Details**

Under the Prevention of Money Laundering Act, 2005 (PMLA), all intermediaries including mutual funds are required to obtain sufficient information from their clients in order to identify and verify the persons who beneficially own or control the account. SEBI circular dated January 24, 2013 on identification of Beneficial Ownership has prescribed a uniform approach to be followed for determination of beneficial owners. All categories of investors (except individuals, company listed on

a stock exchange or majority owned subsidiary of such company) are requested to provide details about beneficial ownership in the specified Section of the Fund's Application Forms, for all their investments. The Fund reserves the right to reject applications/restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership. In the event of change in beneficial ownership, investors are requested to immediately update the details with the Fund/Registrar.

#### **Payment of unclaimed amounts**

Investors are requested to take note that where there are unclaimed redemption or dividend amounts in a folio and subsequently the investor applies for any redemption or further dividend has been declared, and where such unclaimed amount is identified at the time of processing, the AMC reserves the right to suo-moto pay such unclaimed amounts under the folio, as per the applicable NAV of unclaimed scheme(s) which shall be separately paid to the latest registered bank details. Where there has been no redemption or further dividend declared, the AMC shall on request basis from the investor, arrange to pay such unclaimed amounts.

#### **Foreign Account Tax Compliance Act ("FATCA")**

The Foreign Account Tax Compliance Act is a United States ("US") law aimed at prevention of tax evasion by US citizen and residents ("US Persons") as defined under the U.S. Securities Act of 1933 and corporations or other entities organized under the laws of US, through use of the offshore accounts. The FATCA provisions were included in the Hiring Incentive to Restore Employment (HIRE) Act of 2010, enacted by the US legislature. FATCA is designed to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments.

The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement ("IGA") to implement FATCA and India is now treated as having an IGA in effect from April 11, 2014. FATCA provides for Foreign Financial Institutions to register with the US Internal Revenue Service ("IRS"), to obtain Global Intermediary Identification Number (GIIN). The AMC and/or the Fund/Trustee Co. are likely to be classified as a 'Foreign Financial Institution' (Investment Entity) under the FATCA provisions.

FATCA is globally applicable from July 1, 2014 and in order to comply with FATCA obligations, the Fund may seek additional information from investors while accepting applications, in order to ascertain their U.S. Person status. Further, with effect from September 15, 2014, the Fund will not accept applications which are not accompanied with information/documentation under FATCA. Investors are therefore requested to ensure that the details required in the Form "Details Under Foreign Account Tax Compliance Act (FATCA)" of the new Application Form are complete and accurate to avoid rejection of the application (updated forms are available on Fund's website - [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in)).

Under the FATCA regime, in respect of the existing investments from U.S. citizen as on June 30, 2014, the AMC/the Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information/documentary evidences of the investors/Unit holders and disclose such information as far as may be legally permitted about the holdings/investment returns to US IRS and/or the Indian Tax Authorities as and when necessary.

FATCA due diligence will have to be directed at each investor/Unit holder (including joint investor) and on being identified as a reportable person/specified US person, all the folios will be reported. Further, in case of folio with joint investors, the entire account value of investment portfolio will be attributable under each such reportable person.

An investor/Unit holder will therefore be required to furnish such information for the AMC/Fund to comply with the reporting requirements stated in IGA and circulars issued by SEBI/AMFI in this regard.

Investors/Unitholders should consult their own tax advisors regarding FATCA requirements with respect to their own situation.

Investors can get more details on FATCA requirements at  
<http://www.irs.gov/Businesses/Corporations/Foreign-Tax-Compliance-Act-FATCA>

### **FATCA / CRS requirements**

In line with SEBI circular no. CIR/MIRSD/2/2015 dated August 26, 2015 and in terms of AMFI Best Practice guidelines no. 63/2015-16 dated September 18, 2015 with respect to uniform implementation of Foreign Accounts Tax Compliance Act (FATCA) and Common Reporting Standards (CRS), the investors may note that with effect from November 1, 2015, details as per FATCA / CRS declaration shall be mandatorily provided for all new accounts / folios opened, without which the applications shall not be accepted.

### **Cash Investments:**

Pursuant to SEBI circular dated September 13, 2012 and SEBI Circular dated May 22, 2014, it is permitted to accept cash transactions to the extent of Rs. 50,000/- subject to compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under and the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines. Provided that the limit shall be applicable per investor for investments done in a financial year across all schemes of the Mutual Fund, subject to sufficient systems and procedures in place for such acceptance. However any form of repayment either by way of redemption, dividend, etc. with respect to such cash investment shall be paid only through banking channel.

The Asset Management Company is in process of implementing adequate systems and controls to accept Cash Investment in the Scheme. Information in this regard will be provided to Investors as and when the facility is made available.

### **Transaction in Mutual Fund schemes through NSEIL MF execution platform:**

In terms of SEBI vide Circular No. CIR/MRD/DSA/32/2013 dated October 4, 2013, Mutual Fund Distributors are allowed to use infrastructure of recognized stock exchanges for transacting in mutual fund units both in demat and non-demat mode directly from Mutual Fund/Asset Management Companies on behalf of their clients, in the client accounts.

The AMC has entered into an agreement with National Stock Exchange of India Limited (NSEIL) for the purpose of enabling subscription and redemption of the units of the various schemes managed and registered with it, through their electronic order routing platform “NMF II” in non-demat mode with effect from 8<sup>th</sup> July, 2015. The platform enables the investor to subscribe and / or redeem units of mutual fund schemes through a holder of valid and subsisting ARN Number issued by the Association of Mutual Funds of India (AMFI) as a registered mutual fund distributor and permitted by NSEIL to do so.

### **Introduction of National Automated Clearing House (“NACH”) Facility and Discontinuation of ECS Facility:**

The investments in Systematic Investment Plan (“SIP”) can only be done through Post-Dated Cheques OR National Automated Clearing House (“NACH”) Facility. In view of the NACH Facility, Mirae

Asset Mutual Fund (MAMF) shall be rejecting SIP Applications received through the Electronic Clearing Services (ECS) application form.

NACH is an electronic payment facility launched by National Payments Corporation of India (NPCI) with an aim to consolidate multiple Electronic Clearing System (ECS) mandates.

Investors can avail of NACH facility by duly filling up and submitting the SIP Enrolment cum NACH /Auto Debit Mandate Form. A Unique number will be allotted to every mandate registered under NACH called as Unique Mandate Reference Number (“UMRN”) which can be used for SIP transactions. The NACH facility shall be available subject to the terms and conditions contained in the Mandate Form and other guidelines as prescribed by NPCI from time to time.

### **DEDUCTION OF TRANSACTION CHARGES FOR INVESTMENTS THROUGH DISTRIBUTORS/ AGENTS:**

In accordance with SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, the AMC/ Mutual Fund shall w.e.f. 1st November, 2011, deduct the Transaction Charges on purchase/ subscription 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) as under:

**(i) First Time Mutual Fund Investor<sup>^</sup> (across Mutual Funds):**

With effect from 1st November, 2011, 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 and the balance shall be invested.

<sup>^</sup>An investor who invests for the first time ever in any mutual fund either by way of subscription or systematic investment plan.

**(ii) Investor other than First Time Mutual Fund Investor:**

With effect from 1st November, 2011, 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 and the balance shall be invested.

However, transaction charges in case of investments through Systematic Investment Plan (SIP) registered on or after 1<sup>st</sup> November, 2011, shall be deducted only if the total commitment (i.e. amount per SIP installment x Number of installments) amounts to Rs. 10,000/- or more. The Transaction Charges shall be deducted in 4 installments i.e. from the 2nd to the 5th installment, equally.

**(iii) Transaction charges shall not be deducted for:**

- (a) Purchases/ subscriptions for an amount less than Rs. 10,000/- or a commitment value of SIP (registered on or after 1st November, 2011) being lesser than Rs.10,000/-;
- (b) Transactions other than purchases/ subscriptions relating to new inflows such as Switch/ STP/SWP, etc.
- (c) Purchases / subscriptions made directly with the Fund without any ARN code (i.e. not routed through any distributor/ agent).
- (d) Transactions carried out through the stock exchange platform (i.e. BSE StAR MF Platform).

The statement of account will clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.



In continuation with SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, which provided for deduction of TC from each subscription/ purchase request of Rs.10,000/- and above, routed through distributor/ broker (who have opted to receive TC) and pay the same to such distributors/ brokers; it is now clarified that distributors shall have also the option to either opt in or opt out of levying TC based on type of the product. AMFI is in the process of making necessary system changes to have the “Opt-in/ Opt-out” at product level for the distributors. The same will be intimated to the AMC/Distributor at a later date once the systemic changes are carried out.

It is also clarified that as per SEBI circular no. SEBI/IMD/CIR No. 4/168230/09, dated June 30, 2009, upfront commission to distributors shall continue to be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor.

**INTRODUCTION OF NEW FACILITY FOR PURCHASE/REDEMPTION OF UNITS OF MIRAE ASSET MUTUAL FUND SCHEME(S) THROUGH THE BSE StAR MF (BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds)**

In furtherance of SEBI facilitating transactions in Mutual Fund schemes through the stock exchanges infrastructure vide SEBI circular SEBI/IMD/CIR No. 11/183204//2209 dated November 13, 2009 and further in order to expand the reach of Mirae Asset Mutual Fund scheme(s) to more towns and cities, Mirae Asset Mutual Fund has decided to offer units of the certain schemes of Mirae Asset Mutual Fund for purchase/redemption on the BSE StAR MF Platform. The introduction of this facility is pursuant to guidelines issued by SEBI and Bombay Stock Exchange (BSE).

Accordingly, trading member of BSE can facilitate investors to subscribe and redeem the mutual fund units using their existing network and order collection mechanism provided by BSE.

**List of eligible Scheme(s) on BSE StAR MF Platform are:**

1. Mirae Asset India Opportunities Fund (MAIOF);
2. Mirae Asset Great Consumer Fund (MAGCF);
3. Mirae Asset China Advantage Fund (MACAF);
4. Mirae Asset Emerging Bluechip Fund (MAEBF);
5. Mirae Asset Prudence Fund (MAPF);
6. Mirae Asset Tax Saver Fund;
7. Mirae Asset Dynamic Bond Fund;

or such other schemes as may be notified by Mirae Asset Global Investments (India) Private Limited (AMC) from time to time.

**The following are the salient features of the new facility introduced for the benefit of investors:**

1. This facility i.e. purchase/redemption of units will be available to both existing and new investors. Switching of units will not be permitted.
2. The investors will be eligible to only purchase /redeem units of the aforesaid schemes. The list of eligible schemes is subject to change from time to time.
3. All trading members of BSE who are registered with AMFI as Mutual Fund Advisors and who have signed up with AMC and also registered with BSE as Participants ("AMFI certified stock exchange brokers") will be eligible to offer this facility to investors.



4. BSE StAR MF is an electronic platform introduced by BSE for transacting in units of mutual funds. The units of eligible Schemes are not listed on BSE and the same cannot be traded on the Stock Exchange. The window for purchase/redemption of units on BSE will be available between 9 a.m. and 3 p.m. or such other timings as may be decided.
5. Mirae Asset Mutual Fund has currently entered into an arrangement with BSE for facilitating transactions in select Mirae Asset Mutual Fund schemes through the AMFI certified stock exchange brokers. Investors who are interested in transacting in eligible schemes of Mirae Asset Mutual Fund should register themselves with AMFI certified stock exchange brokers. The AMC may enter into a similar agreement with any other stock exchange for providing the same facility as laid down herein. The AMC may notify the investors about the same, from time to time.
6. The eligible AMFI certified stock exchange brokers will be considered as Official Points of Acceptance (OPA) of Mirae Asset Mutual Fund.
7. Investors have an option to hold the units in physical or dematerialized form.
8. Investments can be made through SIP (Systematic Investment Plan) on the BSE Stock Exchange Platform for allotment and repurchase of Mutual Fund (BSE StAR MF Platform) of Bombay Stock Exchange Ltd. (BSE) in all the plans & options.
9. Investors will be able to purchase/redeem units in eligible schemes in the following manner:

#### **Purchase of Units:**

##### **a. Physical Form**

The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application (subject to applicable limits prescribed by BSE or any other stock exchange as specified from time to time) to the AMFI certified stock exchange brokers. The AMFI certified stock exchange broker shall verify the application for mandatory details and KYC compliance. After completion of the verification, the purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor. The investor will transfer the funds to the AMFI certified stock exchange brokers. Allotment details will be provided by the AMFI certified stock exchange brokers to the investor.

##### **b. Dematerialized Form**

The investors who intend to deal in depository mode are required to have a demat account with CDSL/NSDL. The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by BSE or any other stock exchange as specified from time to time) with the AMFI certified stock exchange brokers. The investor should provide their depository account details to the AMFI certified stock exchange brokers. The purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor. The investor will transfer the funds to the AMFI certified stock exchange brokers. Allotment details will be provided by the AMFI certified stock exchange brokers to the investor.

#### **ii. Redemption of Units:**

##### **a. Physical Form**

The investor who chooses the physical mode is required to submit all requisite documents along with the redemption application (subject to applicable limits prescribed by BSE or any other stock exchange as specified from time to time) to the AMFI certified stock exchange brokers. The redemption order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor. The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with Mirae Asset Mutual Fund.

#### **b. Dematerialized Form**

The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL and units converted from physical mode to demat mode prior to placing of redemption order. The investor who chooses the depository mode is required to place an order for redemption (subject to applicable limits prescribed by BSE or any other stock exchange as specified from time to time) with the AMFI certified stock exchange brokers. The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account. The redemption order will be entered in the system and an order confirmation slip will be issued to investor. The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant.

10. Applications for purchase/redemption of units which are incomplete /invalid are liable to be rejected.

11. Separate folios will be allotted for units held in physical and demat mode. In case of non-financial requests/ applications like change of address, investors should approach Investor Service Centers (ISCs) of Mirae Asset Mutual Fund/ CDSL Ventures Ltd. For request/ applications like change of bank details etc. investor should approach Investor Service Centers (ISCs) of Mirae Asset Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode.

12. An account statement will be issued by Mirae Asset Mutual Fund to investors who purchase/ redeem their units under this facility in physical mode. In case of investors who intend to deal in units in depository mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account which would be adequate compliance of the requirements in respect of the dispatch of the statement of accounts.

13. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). Currently, the cut-off time is 3.00 p.m. for these Schemes.

14. In case units are desired to be held by investors in dematerialized form, the KYC performed by the Depository Participant(s) shall be considered as compliance with SEBI Circular ISD/AML/CIR-1/2008 dated December 19, 2008.

15. Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/CDSL/ NSDL (or any other stock exchange as specified from time to time) and Mirae Asset Mutual Fund to participate in this facility.

16. Investors should get in touch with Investor Service Centres (ISCs) of Mirae Asset Mutual Fund for further details.

The transactions carried out on the BSE/BSE StAR MF shall be subject to such guidelines as may be issued by BSE, SEBI (Mutual Funds) Regulations, 1996 and circulars/guidelines issued thereunder from time to time or by any other stock exchange as specified from time to time.

In accordance with SEBI Circular No. CIR/IMD/DF/10/2010 dated August 18, 2010 on transferability of mutual fund units, units of all the schemes of Mirae Asset Mutual Fund are available in demat form and shall be freely transferable under the depository system.

**Additional facility for purchase / redemption of Mutual Fund units of Eligible Schemes of Mirae Asset Mutual Fund:**

A new facility for purchase / redemption of units of Eligible Schemes of Mirae Asset Mutual Fund through the Bombay Stock Exchange infrastructure viz. BSE StAR MF Platform was introduced and pursuant to SEBI Circular No. CIR/IMD/DF/17/2010 dated November 9, 2010, Mirae Asset Trustee Company Private Limited, the Trustees to Mirae Asset Mutual Fund, effective December 24, 2010 ('the effective date') has decided:

- i) that units of mutual funds schemes may be permitted to be transacted through clearing members of the registered Stock Exchanges;
- ii) to permit Depository participants of registered Depositories to process only redemption request of units held in demat form.

The following provision shall be applicable with respect to investors having demat account and purchasing and redeeming mutual funds units through stock exchange brokers and Clearing members:

- a. Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through broker/clearing member's pool account. Mirae Asset Mutual Funds (MF) ("the Mutual Fund")/ Mirae Asset Global Investments (India) Pvt. Ltd. ("the AMC") would pay proceeds to the broker/clearing member (in case of redemption) and broker/clearing member in turn to the respective investor and similarly units shall be credited by AMC/Mutual Fund into broker/clearing member's pool account (in case of purchase) and broker/clearing member in turn to the respective investor's demat account.
- b. Payment of redemption proceeds to the broker/clearing members by AMC/Mutual Fund shall discharge MF / AMC of its obligation of payment to individual investor. Similarly, in case of purchase of units, crediting units into broker/clearing member pool account shall discharge MF/AMC of its obligation to allot units to individual investor.

Investors should note that Clearing members and Depository participants will be considered as official points of acceptance (OPA) in accordance with SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular dated November 13, 2009 for stock brokers Viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund, shall be applicable for such Clearing members and Depository participants as well.

**INTRODUCTION OF NEW FACILITY FOR PURCHASE/REDEMPTION OF UNITS OF MIRAE ASSET MUTUAL FUND SCHEME(S) THROUGH NSE MFSS (STOCK EXCHANGE PLATFORM FOR ALLOTMENT AND REPURCHASE OF MUTUAL FUNDS)**

With effect from December 8, 2015, in addition to the existing modes for transactions in the Units of the schemes of the Fund, the investors can also subscribe to the Units of the schemes through "Mutual Fund Service System (MFSS)" Platform of National Stock Exchange ("NSE"), in demat mode. NSE – MFSS is the mutual fund electronic trading platform with the National Securities Depository Ltd (NSDL) & Central Depository Securities Limited (CDSL) as depositories for units of the mutual fund. The investors will be allowed to only purchase /redeem units of the eligible schemes in demat mode.

The list of eligible schemes is as follows and is subject to change from time to time:

1. Mirae Asset India Opportunities Fund (MAIOF);
  2. Mirae Asset Emerging Bluechip Fund (MAEBF);
  3. Mirae Asset Great Consumer Fund (MAGCF);
  4. Mirae Asset Prudence Fund (MAPF);
  5. Mirae Asset Tax Saver Fund (MATSF);
  6. Mirae Asset Cash Management Fund (MACMF);
  7. Mirae Asset Savings Fund (MASF);
  8. Mirae Asset Dynamic Bond Fund; (effective from March 03, 2017)
- or such other schemes as may be notified by Mirae Asset Global Investments (India) Private Limited (“the AMC”) from time to time.

Investors may note that apart from NSE MFSS, all the above mentioned Schemes of the Fund are already available for non-demat transactions on BSE StAR MF Platform introduced by Bombay Stock Exchange (“BSE”) and for demat transactions all the schemes, except MACMF and MASF, are available. MACMF and MASF shall now be available for demat transactions on BSE StAR MF Platform with effect from December 8, 2015.

The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). The Date of Acceptance will be reckoned as per the date & time at which the transaction is entered in stock exchange’s infrastructure for which a system generated confirmation slip will be issued to the investor.

The transactions carried out on the NSE MFSS shall be subject to such guidelines as may be issued by stock exchanges, SEBI (Mutual Funds) Regulations, 1996 and circulars/guidelines issued thereunder from time to time or by any other stock exchange as specified from time to time.

Non availability of Plans / Options under NSE - MFSS and BSE StAR MF platform:

Investors may note that the Daily Dividend Reinvestment Option, with effect from January 01, 2016 under Regular Plan and Direct Plan of Mirae Asset Cash Management Fund and Mirae Asset Savings Fund; with effect from January 02, 2016 under *Regular Savings Plan*<sup>&</sup> of Mirae Asset Savings Fund shall not be available for subscription/purchase transactions under “Mutual Fund Service System (MFSS)” Platform of National Stock Exchange (“NSE”) and BSE StAR MF platform of Bombay Stock Exchange (BSE).

<sup>&</sup> The “Savings Plan of Mirae Asset Savings Fund shall be renamed as “Regular Savings Plan”, with effect from October 18, 2016.

#### **Facilitating transactions in mutual fund schemes through the Stock Exchange Infrastructure:**

In order to broad base the reach of Stock Exchange platform, SEBI had vide its circular no. CIR/ MRD/DSA/33/2014 dated December 09, 2014 permitted non-demat transactions in the Mutual Fund through stock exchange platform. Accordingly, the investors of Mirae Asset Mutual Fund shall be able to execute non-demat transactions through BSE StAR MF (BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds).

#### **LISTING OF SCHEMES:**

None of the schemes of Mirae Asset Mutual Fund are listed on any of the Stock Exchanges.

#### **Option to subscribe/hold Units in dematerialized (demat) form:**

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011, an option to subscribe in dematerialized (demat) form the units of all the Scheme(s)/Plan(s)/Options(s) is provided to the investors effective October 1, 2011.

Consequently, the Unit holders under the Scheme(s)/Plan(s) /Options(s) shall have an option to subscribe/ hold the Units in demat form in accordance with the provisions laid under the respective Scheme(s)/Plan(s) /Options(s) and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time. If the demat account details are found to be invalid, the investor shall continue to hold the units in physical form.

In case, the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice-versa should be submitted along with a Demat/ Remat Request Form to their Depository Participants.

The option to subscribe/hold units in demat option is available for SIP transactions. However, the units shall be allotted based on the applicable NAV as per the SID and shall be credited to investors demat account on weekly basis upon realization of funds. For e.g. Units will be credited to investors demat account every Monday for realization status received in last week from Monday to Friday.

Investors may kindly note that, no statement of account will be generated by the Registrar & Transfer Agent ('Karvy') and all those folios for which demat conversion request is received will be blocked for generation of statement of account. Investors may kindly note that if folio number is provided along with additional subscription (against demat folio), the same will be treated as new transaction and fresh folio will be created.

The DPs shall send the unit balances / confirmations to the investors. The Investors have to approach his/ her DP for all change request updates /holding statements. The R&T of the Mutual Fund shall not accept any requests for change from the investors. Investors shall also note that partial allotment / conversion of units to Demat within the scheme shall not be permitted.

**UNITS HELD IN DEMAT FORM WILL BE TRANSFERABLE SUBJECT TO THE PROVISIONS LAID UNDER THE RESPECTIVE SCHEME(S)/PLAN(S) AND IN ACCORDANCE WITH PROVISIONS OF DEPOSITORIES ACT, 1996 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (DEPOSITORIES AND PARTICIPANTS) REGULATIONS, 1996 AS MAY BE AMENDED FROM TIME TO TIME.**

### III. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be dispatched to the Unit holder within 10 business days of the Specified Redemption Date. Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non- transferable) within 30 days of the receipt of request for the certificate.
3. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.
4. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.



5. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind-up a Scheme.
7. The Trustee shall obtain the consent of the Unit holders:
  - whenever required to do so by SEBI, in the interest of the Unit holders.
  - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
  - When the Trustee decides to wind up the Scheme or prematurely redeem the Units.
  - The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless :
    - (i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
    - (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
8. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

### **Consolidated Account Statement (CAS):**

Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011 and SEBI vide its circular ref. no. CIR/MRD/DP/31/2014 dated November 12, 2014, the investor whose transaction\*\* has been accepted by the AMC/ Mutual Fund on or after February 1, 2015 shall receive the following:

#### **I. Investors who do not hold Demat Account**

CAS^, based on PAN of the holders, shall be sent by Mirae Asset Global Investments (India) Pvt. Limited (“the AMC”)/ Karvy Computershare Private Limited (Registrar and Transfer Agent “RTA”) to investors not holding demat account, for each calendar month within 10<sup>th</sup> day of the succeeding month to the investors in whose folios transactions have taken place during that month.

^CAS sent by AMC/RTA is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month.

#### **II. Investors who hold Demat Account**

CAS^^, based on PAN of the holders, shall be sent by Depositories to investors holding demat account, for each calendar month within 10<sup>th</sup> day of the succeeding month to the investors in whose folios transactions have taken place during that month.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send account statement in terms of regulations applicable to the depositories.

^^CAS sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer



plan, bonus etc. (including transaction charges paid to the distributor) and transaction in dematerialised securities across demat accounts of the investors and holding at the end of the month.

CAS shall be sent by Depositories every half yearly (September/ March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios/demat accounts there have been no transactions during that period.

Following provisions shall be applicable to CAS sent through AMC/ RTA and CAS sent through depositories:

1. Investors are requested to note that for folios which are not included in the CAS, AMC shall henceforth issue monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be sent on or before tenth day of succeeding month. Such statements shall be sent in physical form if no email id is provided in the folio.
2. The statement sent within the time frame mentioned above is provisional and is subject to realisation of payment instrument and/or verification of documents, including the application form, by the RTA/AMC.
3. In the event the folio/demat account has more than one registered holder, the first named Unit holder/Account holder shall receive the CAS (AMC/RTA or Depository). For the purpose of CAS (AMC/RTA or Depository), common investors across mutual funds/depositories shall be identified on the basis of PAN. Consolidation shall be based on the common sequence/order of investors in various folios/demat accounts across mutual funds / demat accounts across depository participants.
4. Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS.
5. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN.
6. For Unit Holders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail.
7. The Unit Holder may request for a physical account statement by writing to/calling the AMC/RTA. In case of a specific request received from the unit holders, the AMC/RTA shall provide the account statement to the unit holders within 5 business days from the receipt of such request.
8. Account Statements shall not be construed as proof of title and are only computer printed statements indicating the details of transactions under the Schemes during the current financial year and giving the closing balance of Units for the information of the Unit Holder.
9. Units held in the form of Account Statement are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to SEBI (MF) Regulations issued from time to time.
10. In case an investor has multiple accounts across two Depositories, the depository with whom the account has been opened earlier will be the default Depository.
11. On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of email and/ or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the Unit holders registered e-mail address and/ or mobile number.

#### IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

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SEBI vide Gazette Notification no. LAD-NRO/GN/2011- 12/38/4290, dated February 21, 2012 amended Regulation 25, 47 and the Eighth Schedule titled 'Investment Valuation Norms' under SEBI (Mutual Funds) Regulations, 1996 ("the Regulations") to introduce the overarching principles namely 'Principles of Fair Valuation' in order to ensure fair treatment to all investors (including existing as

well as new investors) seeking to purchase or redeem the units of the scheme(s) at all points of time. In the event of a conflict between the principles of fair valuation and valuation guidelines prescribed by SEBI under the Regulations, the principles of fair valuation shall prevail.

Based on the said amendment by SEBI, the Board of the Mirae Asset AMC and Trustee co. has adopted a comprehensive policy on investment valuation and procedures. Accordingly, the disclosure inter-alia of the security/ asset-wise valuation policy, procedure & methodology for each type of investment made by the scheme(s) of Mirae Asset Mutual Fund is given below:

### **1. Policy, Procedure & Methodology for valuation of securities/assets:**

(i) The detailed security/ asset -wise valuation policy, procedure & methodology for each type of investment made by the scheme(s) of Mirae Asset Mutual Fund is described in the appended table.

(ii) Investments in any new securities/assets (other than those mentioned in the appended table) shall be made only after the establishment of the valuation methodology as approved by the Board of Mirae Asset AMC and Trustee co.

(iii) The investments held by schemes of Mirae Asset Mutual Fund would normally be valued according to the Valuation Guidelines specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation as detailed above and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

### **2. Inter scheme Transfers:**

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

### **3. Exceptional events:**

Given the exceptional nature of the events, it is not possible to define a standard methodology to be adopted for fair valuation of securities/assets for such events. The Board of Mirae Asset AMC and Trustee have authorized the Valuation Committee to determine the exceptional events and devise the process to deal with the exceptional events.

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

- a. Major policy announcements by the Central Bank, the Government or the Regulator.
- b. Natural disasters or public disturbances that force the markets to close unexpectedly.
- c. Absence of trading in a specific security or similar securities.
- d. Significant volatility in the capital markets.

The above list is illustrative and not exhaustive.

The Valuation Committee shall identify and monitor exceptional events and recommend appropriate procedures / methodologies with necessary guidance from the Board of Mirae Asset AMC and Trustee, wherever required, and get the same ratified.

### **4. Deviation:**

Deviation in the valuation policy and procedures as stated above shall be allowed only with the prior approval of the Valuation Committee followed by reporting to the Board of Mirae Asset AMC and Trustee. Such deviations shall be appropriately disclosed to the Investors as may be decided by the Valuation committee.

## **5. Record Maintenance:**

Mirae Asset AMC shall maintain and preserve documentation for valuation (including inter scheme transfers) either in electronic or physical form for a period of 8 years or such period as specified by SEBI from time to time.

## **6. Disclosure:**

In order to ensure transparency of valuation norms adopted by Mirae Asset AMC, the investment valuation policy and procedures as adopted by Mirae Asset AMC is disclosed on the website, viz. [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in).

The broad valuation norms are detailed below:

### **EQUITY & EQUITY RELATED INSTRUMENTS:**

- **Traded Securities**
  - When a security (other than Government securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on NSE or any other stock exchange as the case may be, on the earliest previous day may be used provided such a day is not more than 30 days prior to the valuation date.
  - Traded securities shall be valued at the last quoted price on The National Stock Exchange (NSE). However, if the securities are not listed on NSE, the securities shall be valued at the price quoted at the exchange where they are principally traded.
  - When on a particular valuation day, a security has not been traded on NSE but has been traded on another stock exchange, the value at which it is traded on that stock exchange shall be used.
- **Thinly Traded Securities / Non-Traded Securities / Unlisted Securities**
- **Thinly Traded Equity / Equity related securities**  
When trading in an equity / equity related security (such as convertible debentures, equity warrants, etc.) in a month is less than Rs. 5 lakh and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly.

Where a stock exchange identifies the "thinly traded" securities by applying the above parameters for the preceding calendar month and publishes / provides the required information along with the daily quotations, the same can be used by the Fund.

If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the Fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.

In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the AMC / Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

- **Non-Traded Equity Securities**

When a security (other than Government securities) is not traded on any stock exchange for a period of 30 days prior to the Valuation Day, the security is treated as non-traded security.

- **Valuation of Thinly Traded / Non-Traded Equity Securities**

Non-traded / thinly traded equity securities shall be valued "in good faith" by the asset management company on the basis of the valuation principles laid down below:

- Based on the latest available Balance Sheet, net worth shall be calculated as follows :  

$$\text{Net Worth per share} = \frac{\text{share capital} + \text{reserves (excluding revaluation reserves)} - \text{Miscellaneous expenditure and Debit Balance in P\&L A/c}}{\text{No. of Paid-up Shares}}$$
- Average capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for illiquidity so as to arrive at the fair value per share.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.
- In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.  
 In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it belongs would be compared on the date of valuation.

- **Valuation of securities with Put/Call Options**

The option embedded securities would be valued as follows:

- **Securities with call option**

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

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

- **Securities with Put option**

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

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

- **Securities with both Put and Call option on the same day:**

The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.

- **Unlisted Securities**

Investments in Unlisted securities shall be valued “in good faith” on the basis of the valuation principles laid down below till such time these are listed on a Stock Exchange:

- Based on the latest available Balance Sheet, net worth shall be calculated as follows :  
Net Worth per share = [share capital + reserves (excluding revaluation reserves) - Miscellaneous expenditure and Debit Balance in P&L A/c] / No. of Paid-up Shares.
- Average capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for illiquidity so as to arrive at the fair value per share.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.
- In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it belongs would be compared on the date of valuation.

At the discretion of the AMC and with the approval of the trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

- **Illiquid Securities**
- Aggregate value of “illiquid securities” of scheme, which are defines as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value:  
Provide that in case any scheme has illiquid securities in excess of 15% of total assets as on September 30, 2000, then such a scheme shall within a period of two years bring down the ratio of illiquid securities within the prescribed limit of 15% in the following time frame:
  - All the illiquid securities above 20% of total assets of the scheme shall be assigned zero value on September 30, 2001.
  - All the illiquid securities above 15% of total assets of the scheme shall be assigned zero value on September 30, 2001.
- All funds shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half-yearly portfolios to the unitholders. In the list of investments, an asterisk mark shall also be given against all such investments which are recognized as illiquid securities.
- Mutual Funds shall not be allowed to transfer illiquid securities among their schemes w.e.f October 1, 2000.

#### DEBT & DEBT RELATED INSTRUMENTS:

Security Type	Valuation Policy
Debt and Money Market Instruments:	

<b>Security Type</b>	<b>Valuation Policy</b>
Traded Instruments: Securities with residual maturity $\leq$ 60 days	Traded securities (FIMMDA/NSE/BSE/Own) will be valued on weighted average traded price / yield on the date of trade. (Market Trades would be given higher priority. The order of preference would be FIMMDA, Exchange (NSE, BSE) and own trades. The qualifying criteria will be observed at the exchange/ platform level).
Traded Instruments: Securities with residual maturity > 60 days	The valuation of Debt Securities with residual Maturity more than 60 days; both traded and Non Traded; shall be valued as the Average of the Valuations for Securities as provided by CRISIL and ICRA at the end of Every Business Day. Scrip level Valuations will be provided by the agencies CRISIL & ICRA factoring the Issuer Ratings, instrument duration, demand / supply, relevant market yields and spreads corresponding to the asset class and sector of the scrip to be valued.
Non Traded Instruments: Securities with residual maturity $\leq$ 60 days	Straight line amortization from last valuation price, as long as the amortized price remains within $\pm 0.10\%$ band of the reference price. In case the amortized price falls outside the above band, the reference price provided by CRISIL or any other agency approved by AMFI shall be considered.
Non-Traded Instruments: Securities with residual maturity > 60 days	The valuation of Debt Securities with residual Maturity more than 60 days; both traded and Non Traded; shall be valued as the Average of the Valuations for Securities as provided by CRISIL and ICRA at the end of Every Business Day. Scrip level Valuations will be provided by the agencies CRISIL & ICRA factoring the Issuer Ratings, instrument duration, demand / supply, relevant market yields and spreads corresponding to the asset class and sector of the scrip to be valued.
<b>Other Fixed Income Instruments:</b>	
Government Securities	For the sovereign securities (including T-Bills) with residual maturity up to 60 days, the amortized price may be used for valuation as long as it is within $\pm 10$ basis points (bps) ( $\pm 0.10\%$ ) of the reference price. In case the variance exceeds $\pm 10$ bps of the reference price, the valuation shall be adjusted to bring it within the $\pm 10$ bps band.
Corporate Bonds	Valuation prices provided by CRISIL or any other agency approved by AMFI for individual securities (Matrix based valuation)
Treasury Bills with residual maturity less than or equal to 60 days	For the sovereign securities (including T-Bills) with residual maturity up to 60 days, the amortized price may be used for valuation as long as it is within $\pm 10$ basis points (bps) ( $\pm 0.10\%$ ) of the reference price. In case the variance exceeds $\pm 10$ bps of the reference price, the valuation shall be adjusted to bring it within the $\pm 10$ bps band.
Treasury Bills with residual maturity more than 60 days	Treasury bills having a residual maturity greater than 60 days will be valued at the average of the prices provided by approved agencies by AMFI (currently CRISIL and ICRA).
Interest Rate SWAP/ Forward Rate Agreements	All SWAP/ FRA's will be valued at net present value after discounting the future cash flows. Future cash flows for SWAP/FRA contract will be computed daily based as per terms of contract and discounted by suitable OIS rates available on Reuters/Bloomberg/ any other provider as approved by Valuation Committee.
Overnight Money (CBLO/Reverse Repo/ CROMS)	Overnight money deployed will be valued at cost plus the accrual/amortization.



Security Type	Valuation Policy
Fixed Deposit	Fixed deposits will be valued at cost.

**Guidelines/Mechanisms to determine spreads:**

- In the case of instruments with residual maturity up to 91 days, purchased for the first time, the credit spread for the purpose of valuation would be fixed at the time of purchase, as difference between the purchase yield and benchmark yield without any cap on the illiquidity premium/discount.
- The spread so fixed can be changed to reflect the changes in the market determined through an own trade or market trades at a different spread.
- Any change in the credit rating
- Any change in credit profile of the issuer as perceived by market participants even though there may be no change in credit rating. This can happen as at times rating agencies take time to review/change rating and market prices in the credit risk faster.

**Criteria for Identifying Similar Securities:**

SEBI vide the gazette notification dated February 21, 2012 has mandated that in order to have fairness in the valuation of debt and money market securities, the asset management company shall take in to consideration prices of trades of same security or similar security reported at all available public platform. These include FIMMDA /NSEWDM/BSE or any other public platform available later.

There is no clear definition of “similar security” outlined by SEBI. Hence, it is at the discretion of the AMC to define similar security to be used for valuation. Out of the securities traded in market lot, as per the public platform information, security may be considered as similar security if it meets all the following criteria:

1. The security is in the same class e.g. CP, CD, Bonds, etc.
2. Similar security from a different issuer within the same category and similar credit rating, with maturity date within  $\pm 5$  days of maturity date of security OR Security belongs to the same Issuer and is available in marketable lot, with a deviation of maturity date of  $\pm 5$  days. Suitable rationale will be kept on records.
3. Security belongs to the same category i.e. NBFC, Real Estate, PSU Bank, Private Bank or Financial Institution, or others.
4. Security has same rating for the short end as well as long end. For e.g. while deciding the similar CP, consider CP short term rating as well as long term rating of that Company and compare the same.
5. For comparison amongst aforesaid criteria, first preference would be given for the security of the same issuer, if available on marketable lot.

The investment valuation norms as outlined above are as per SEBI (MF) Regulations and are subject to change from time to time in conformity with changes made by SEBI.

**Valuation of Convertible Debentures**

As per Eighth Schedule of SEBI (Mutual Fund) Regulations method of valuation of convertible debentures is prescribed.

Non-convertible and convertible components are valued separately.

**Floating rate Securitized Debt (FRN PTCs):**

Valuation of such instruments is not covered by Crisil Bond Valuer. Such papers are generally linked to Mibor and have Cap and Floor rates with various compounding options and periodic repayment structure. Generally issuer also gives cash flow attached to the paper at Cap rate.

Valuation of such papers shall be done by taking cash flow at cap rate as base and shall be valued liked normal PTC. In case any other type of FRN PTC structure, valuation methodology shall be provided by AMC on case to case basis.

- **Government Securities**

Traded and non- traded Government Securities shall be valued as per the prices for Government Securities released by an agency suggested by AMFI for the sake of uniformity in calculation of NAVs across all mutual funds. Accordingly, traded and non-traded government securities are valued at prices obtained from The Credit Rating Information Services of India Limited or any other agency as suggested by AMFI from time to time.

- **Convertible debentures and bonds**

In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion, the resultant equity instrument would be traded *pari passu* with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion. While valuing such instruments, the fact as to whether the conversion is optional or not shall also be factored in.

- **Warrants**

In respect of warrants to subscribe attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures shall be deducted to account for the period, which must elapse before the warrant can be exercised.

- **Repo transactions**

Where instruments have been bought on 'repo' basis, the instrument shall be valued at the resale price after deduction of applicable interest up to the date of resale. Where an instrument has been sold on a 'repo' basis, adjustment shall be made for the difference between the repurchase price (after deduction of applicable interest up to the date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation shall be provided for and if the repurchase price is lower than the value, credit shall be taken for the appreciation.

### **Rights Entitlement / Shares**

Until they are traded, the value of "rights" shares shall be calculated as:

$$V_r = n \div m \times (P_{ex} - P_{of})$$

Where  $V_r$  = Value of rights

$n$  = no. of rights offered

$m$  = no. of original shares held

$P_{ex}$  = Ex-rights price

$P_{of}$  = Rights Offer Price

Where the rights are not treated *pari passu* with the existing shares, suitable adjustments shall be made to the value of the rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.

- **Foreign Securities**

On the Valuation Day, the securities issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed or at the last available traded price. However in case a security is listed on more than one stock

exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security.

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

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Bloomberg / Reuters / RBI or any other standard reference rate at the close of banking hours in India. The Trustees reserve the right to change the source for determining the exchange rate. The exchange gain / loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain / loss in the books of the Scheme on the day of valuation. Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain / loss in the books of the scheme on the settlement of such assets / liabilities.

### **Mutual Funds**

MF units listed and traded would be valued at the closing traded price as on the valuation date. Unlisted MF units and listed untraded MF units would be valued at would be valued at the NAV as on the valuation date.

### **Gold**

The gold held by a gold exchange traded fund scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:

- (1) (a) adjustment for conversion to metric measures as per standard conversion rates; (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and (c) addition of – (i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the mutual fund; and (ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of the mutual fund:

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the mutual fund:

Provided further that where the gold held by a gold exchange traded fund scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.

If the gold acquired by the gold exchange traded fund scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of sub-paragraph (1).

**Exchange Traded Funds:** ETFs shall be valued at closing prices available on the stock exchange (NSE/BSE).

• **Identification, Provisioning and Valuation in respect of Non-Performing Assets (NPAs)**

An asset shall be classified as "Non-Performing" if the interest and / or principal amount have / has not been received or have / has remained outstanding for three months from the day such income / installment has fallen due.

Valuation in respect of Non-Performing Assets (Debt Securities) will be done in accordance with "SEBI guidelines for identification and provisioning for NPAs" issued vide circular dated 18th September, 2000 bearing reference no. MFD/CIR/8/92/2000 as modified by SEBI circulars both dated 28th March, 2001 bearing reference no. MFD/CIR/13/087/2001 as well as MFD/CIR/14/088/2001 and will form a part of this valuation policy.

The Fund shall make scrip wise disclosures of NPAs on a half yearly basis along with the half yearly portfolio disclosure.

The total amount of provisions made against the NPAs shall be disclosed in addition to the total quantum of NPAs and their proportion of the assets of the Scheme. In the list of investments, an asterisk mark shall be given against such investments which are recognized as NPAs. Where the date of redemption of an investment has lapsed, the amount not redeemed shall be shown as 'Sundry Debtors' and not as investment, provided that where an investment is redeemable by installments that will be shown as an investment until all installments have become overdue.

The valuation guidelines as outlined above are as per the Regulations prevailing at present and are subject to change from time to time, in conformity with changes made by SEBI.

All other guidelines not covered above and as specified in the Mutual Fund Regulations, as well as any additions/modifications thereto as may be specified by SEBI from time to time, shall be adhered to for the purpose of valuation.

**Accrual of expenses and incomes**

All expenses and incomes accrued up to the valuation date shall be considered for the computation of net asset value. For this purpose, while major expenses like management fees and other periodic expenses shall be accrued on a day to day basis, other minor expenses and income may not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%.

**Recording of Securities and Units in the books**

Any change in the portfolio of securities and in the number of Units held shall be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed up to a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%. In case the Net Asset Value is affected by more than 1% due to such non-recording of transactions, the investors of the Scheme, as the case may be shall be paid the difference in the amount as follows:

- If the investors are allotted units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their units, they shall be paid the difference in amount by the Scheme.
- If the investors are charged lower Net Asset Value at the time of purchase of their units or are given higher Net Asset Value at the time of sale of their units, AMC shall pay the difference in amount to the Scheme. The AMC may recover the difference from the investors.

The valuation guidelines outlined above are within the parameters of the Regulations and are subject to changes from time to time by the AMC and / or the Trustee. However, such changes must be in conformity with the Regulations.

#### **Investment Decision:**

The investment objective of the various schemes of Mirae Asset Mutual Fund is to provide investors with opportunities for capital appreciation through an actively managed portfolio of investments in accordance with the respective offer documents/ Scheme Information Memorandum.

The Investment Policy approved by the Board of Directors of the AMC and Trustees provides the mechanism for approval of Investment decisions by Equity team and Fixed Income teams.

The process for the Investment transactions under the Front Office System is as follows:  
Investment proposed by respective fund managers is approved by the Head of Equity/ Head of Fixed Income in the Front Office System.

Daily meetings of the Investment team are conducted by the investment department. The dealer purchases/ sells after confirming compliances with internal and external limits along with investment reasons which are checked with the Fund Managers and Head of Fixed Income/ Head of Equity.

The Investment committee at meetings, held on a periodic basis, evaluates and monitors the performances of the Schemes. The Investment Committee is headed by the Director and Chief Executive Officer of the AMC. The Investment Committee has a broad supervisory role in respect of all investment activity undertaken. The role of the Committee includes inter-alia:

- Monitor and supervise the investment decisions made by the Investment Team.
- Monitoring the risk parameters in each scheme and ensure that the investment limits are properly observed.
- Monitoring of all derivative transactions.
- Monitoring scheme performances.
- Discussion on new stocks that may be added in our scheme portfolio.
- The Investment Committee, on an ongoing basis discusses specific issues such as the state of the markets in order to evolve suitable investment strategies.

In addition to the aforesaid, the Director & Chief Executive officer is required to ensure that:

- The fund complies with all the provisions of SEBI regulations and the guidelines or circulars issued in relation thereto from time to time.
- The investments made by the fund managers are in the interest of the unit holders.
- Asset allocation and investment strategy.
- Sector allocation strategy.
- Review of individual stocks in the scheme portfolio.
- Portfolio construction and rebalancing, if any.

The Minutes of the Investment Committee meetings along with the Scheme performance reports are placed for the review and guidance of the Board of Directors of AMC and Trustees at their respective meetings.

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## V. TAX & LEGAL & GENERAL INFORMATION

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### A. TAX TREATMENT OF INVESTMENTS IN MUTUAL FUND

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The following information is provided only for general information purpose. In view of the individual nature of tax benefits each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the scheme.

Based on the law in force and after considering the amendments made in the Income Tax Act, 1961 ("the Act") by the Finance Act, 2007, we give hereunder our opinion on tax benefits/implications that may accrue to a Fund and to different categories of unit holders in respect of their investments in a Fund.

### *A.1 TAX TREATMENT FOR EQUITY ORIENTED FUNDS*

As per the current tax rules, the applicable tax treatment of equity oriented fund is as mentioned below:

#### **11.1 To the Fund**

Income of the Fund registered under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulations made there under will be exempt from income tax in accordance with the provisions of section 10(23D) of the Act. The income received by the Fund is not liable for deduction of tax at source under section 196(iv).

As per Proviso to sub-section (2) of Section 115R, no dividend distribution tax shall be deducted in respect of any income distributed to a unit holder of equity oriented funds in respect of any distribution made from such funds

#### **11.2 Securities Transaction Tax**

Securities Transaction Tax ("STT") is applicable on transactions of purchase or sale of units of Equity and Equity related securities entered into on a recognized stock exchange or by the Mutual Fund.

The Mutual Fund is liable to pay a securities transaction tax as follows:

<b>Particulars</b>	<b>Rate</b>	<b>Payable By</b>
Purchase of an equity share in a company where- (a) the transaction of such purchase is entered into in a recognized stock exchange; and (b) the contract for the purchase of such share is settled by the actual delivery or transfer of such share or unit.	0.1%	Purchaser
Sale of an equity share in a company, where – (a) the transaction of such sale is entered into in a recognized stock exchange; and (b) the contract for the sale of such share is settled by the actual delivery or transfer of such share or unit	0.1%	Seller
Sale of an equity share in a company or a unit of an equity oriented fund (non-delivery based)	0.025%	Seller
Delivery based purchase of units of equity oriented mutual fund on recognised stock exchange	Nil	Purchaser
Delivery based Sale of units of equity oriented mutual fund on recognised stock exchange	0.001%	Seller
Sale of an option in securities	0.017%	Seller
Sale of an option in securities, where option is exercised	0.125%	Purchaser
Sale of a futures in securities	0.01%	Seller



Particulars	Rate	Payable By
Sale of unit of an equity oriented fund to the Mutual Fund	0.001%	Seller

### 11.3 To the Unitholders

#### 11.3.1 Income Received from Mutual Fund

According to section 10(35) of the Act, any income received in respect of units of Mutual Fund specified under section 10(23D) is exempt from income tax in the hands of the unit holders. It has, however, been clarified that income arising from transfer of units of Mutual Fund shall not be exempt.

#### 11.3.2 Long Term Capital Gains on Transfer of Units

Under Section 10(38), Long Term Capital Gain on sale of units of Equity Oriented Funds are exempt from Income Tax in the hands of unit holders, provided such transactions are entered into a recognized stock exchange or such units are sold to the Mutual Fund and are chargeable to STT.

#### 11.3.3 Short Term Capital Gains on Transfer of Units

Section 111A provides that short-term capital gains arising on sale of units of Equity Oriented Funds are chargeable to income tax at a concessional rate of 15% plus applicable education cess, provided such transactions are entered into on a recognized stock exchange or such units are sold to the Mutual Funds and are chargeable to STT.

Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

#### 11.3.4 Capital Losses

Losses under the head “Capital Gains” cannot be set off against income under any other head. Further within the head “Capital Gains”, losses arising from the transfer of long-term capital assets cannot be adjusted against gains arising from the transfer of a short-term capital asset. However, losses arising from the transfer of short-term capital assets can be adjusted against gains arising from the transfer of either a long-term or a short-term capital asset.

Under Section 10(38), Long Term Capital Gains on sale of units of Equity Oriented Fund are exempt from Income Tax provided certain conditions are fulfilled. Hence, losses arising from such type of transaction of sale of units of Equity Oriented Fund would not be eligible for set-off against taxable capital gains.

Unabsorbed short-term capital loss can be carried forward and set off against the income under the head Capital Gains in any of the subsequent eight assessment years.

According to section 94(7) of the Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then losses arising from such sale to the extent of income received or receivable on such units shall be ignored for the purpose of computing income chargeable to tax.

Further, Sub-section (8) of Section 94 provides that, where additional units have been issued to any person without any payment, on the basis of existing units held by such person then the loss on sale of original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within three months prior to the record date fixed for receipt of additional units and sold within nine months from such record date. However, the

loss so ignored shall be considered as cost of acquisition of such additional units held on the date of sale by such person.

#### **11.4 Tax Deduction at Source**

##### **11.4.1 For Income in respect of Units**

No tax shall be deducted at source in respect of any income credited or paid in respect of units of the Fund as per the provisions of section 194K and section 196A.

##### **11.4.2 For Capital Gains**

###### **11.4.2.1 In respect of Resident Unit holders:**

No tax is required to be deducted at source on capital gains arising to any resident unit holder (under section 194K) vide circular no. 715 dated August 8, 1995 issued by the Central Board for Direct Taxes (CBDT).

###### **11.4.2.2 In respect of Non-Resident Unit holders:**

Under section 195 of the Act, tax shall be deducted at source in respect of capital gains as under:

###### **a. In case of non-resident other than a company:**

- |  |                         |
|--|-------------------------|
| - Long term capital gains - Equity scheme  | NIL                     |
| - Short term capital gains – Equity scheme | 15% plus education cess |

###### **b. In case of foreign company:**

- |  |                             |
|--|-----------------------------|
| - Long term capital gains - Equity scheme  | NIL                         |
| - Short term capital gains – Equity scheme | 15% plus surcharge and cess |

###### **c. In case of Foreign Institutional Investor:**

- |  |                             |
|--|-----------------------------|
| - Long Term Capital Gain – Equity Scheme   | NIL                         |
| - Short term capital gains – Equity scheme | 15% plus surcharge and cess |

However, to be entitled to a beneficial rate under the DTAA, the non-resident Unitholder will be required to provide appropriate documents to the Mutual Fund.

As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the assessee.

#### **11.4.3 Exemption from Tax on Capital Gains arising on Transfer of Units Held for more than 12 months**

##### **11.4.3.1 Under section 54EC of the Act**

As provided under section 54EC, and subject to the conditions specified therein, where an assessee has made capital gains from the transfer of units held in Mutual Fund Scheme for a period exceeding 12 months and the assessee has any time within a period of 6 months after the date of such transfer, invested the whole of the capital gains in the long term specified assets i.e., in bonds redeemable after 3 years issued by the National Highways Authority of India or by the Rural Electrification Corporation Limited, such capital gains shall be exempted from tax on capital gains under section 54EC of the Income Tax Act, 1961. However, if the assessee has invested only a part of the capital gains, he will be eligible for the proportionate exemption. The Section also provides that investment in long term specified asset made after 01.04.2007 shall not exceed Rs.50 lacs. Further, if the long term specified

asset is transferred / converted into money before 3 years, the capital gains which were previously exempt shall be deemed to be income in the previous year of transfer.

Section 54EC provides that where any investment has been allowed as a deduction under this section the same shall not be allowed as deduction in Section 80C.

#### **11.4.3.2 Under Section 54ED of the Act**

Under Section 54ED and subject to the conditions specified therein, capital gains arising from the transfer of units held in the Mutual Fund Scheme for a period exceeding 12 months will be exempt, if the assessee has, any time within a period of 6 months after the date of such transfer, invested the whole of the capital gains in acquiring equity shares forming part of an eligible issue of capital. However, if the assessee has invested only a part of the capital gains, he will be eligible for the proportionate exemption. An eligible issue of capital means an issue of equity shares offered for subscription to the public by a public company formed and registered in India. The Section also provides that if the long term specified asset is sold / transferred into money before 1 year, the capital gains which were previously exempt shall be deemed to be income in the previous year of transfer.

Section 54ED provides that where any investment has been allowed as a deduction under this section the same shall not be allowed as deduction in Section 80C.

#### **11.4.4 Rebate Under Section 88E**

Section 88E provides that where the total income of a person includes income chargeable under the head 'Profits and Gains of business or profession' arising from sale of units of equity oriented funds, the person shall get rebate equal to the STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of transactions calculated by applying average rate of income tax.

#### **11.4.5 Investment by Charitable and Religious Trusts**

Units of a Mutual fund Scheme referred to in clause 23D of section 10 of the Income Tax Act, 1961, constitute an eligible avenue for investment by charitable or religious trusts per rule 17C of the Income Tax Rules, 1962, read with clause (xii) of sub-section (5) of section 11 of the Income Tax Act, 1961.

#### **11.4.6 Wealth Tax**

Units held under the Mutual Fund Scheme are not treated as assets within the meaning of section (ea) of the Wealth Tax Act, 1957 and are, therefore, not liable to Wealth-Tax.

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### **A.2 TAX TREATMENT FOR DEBT AND LIQUID FUNDS**

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As per the current tax rules, the applicable tax treatment of debt fund is as mentioned below:

#### **11.1 To The Fund**

Income of the Fund registered under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulations made there under will be exempt from income tax in accordance with the provisions of section 10(23D) of the Act. The income received by the Fund is not liable for deduction of tax at source under section 196(iv).

As per section 115R, Mutual Funds are liable to pay additional income tax on the income distributed by them.

Under the provisions of section 115R of the Act, additional income tax is payable at different rates on income distributed to different class of unit holders. Mutual Funds are liable to pay additional income tax at the rate of

- i) 25% on the income distributed to Individuals and HUFs; and
- ii) 30% on the income distributed to any other person.

Surcharge @ 10% on income tax and Education Cess at the rate of 3% on total tax is also applicable.

### **W.e.f. 1<sup>st</sup> October 2014**

For the purpose of determining the tax payable, the amount of distributed income be increased to such amount as would after reduction of tax from such increased amount, be equal to the income distributed by the Mutual Fund.

## **11.2 Securities Transaction Tax**

As the scheme is not an equity mutual fund as per the current tax laws, Securities Transaction Tax ("STT") is not applicable.

### **Rebate Under Section 88E**

Section 88E provides that where the total income of a person includes income chargeable under the head 'Profits and Gains of business or profession' arising from sale of units of equity oriented funds, the person shall get rebate equal to the STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of transactions calculated by applying average rate of income tax.

## **11.3 To The Unitholders**

### **11.3.1 Income Received from Mutual Fund**

According to section 10(35) of the Act, any income received in respect of units of Mutual Fund specified under section 10(23D) is exempt from income tax in the hands of the unit holders. It has, however, been clarified that income arising from transfer of units of Mutual Fund shall not be exempt.

### **11.3.2 Long Term Capital Gains on Transfer of Units**

The provisions for taxation of long-term capital gains for different categories of assessee are explained hereunder:

#### **11.3.2.1 For Individuals and HUFs**

Long-term Capital Gains in respect of Units of debt oriented Mutual Fund held for a period of more than 36 months will be chargeable under section 112 of the Act, at a rate of 20% plus education cess. Capital Gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. In the case where taxable income as reduced by long term capital gains is below the exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be charged at the flat rate of 20% plus surcharge, as may be applicable and cess.

It is further provided that an assessee will have an option to apply concessional rate of 10% plus applicable education cess, provided the long term capital gains are computed without substituting indexed cost in place of cost of acquisition.

w.e.f. 11<sup>th</sup> July 2014: Holding period for qualifying as long term capital gain is more than 36 month and concessional rate of 10% is not available.

#### **11.3.2.2 For Partnership Firms, Non-Residents, Indian Companies/Foreign Companies**

Long-term Capital Gains in respect of Units held for a period of more than 36 months will be chargeable under section 112 of the Act at a rate of 20% plus surcharge, as may be applicable and cess. Capital gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer.

It is further provided that an assessee will have an option to apply concessional rate of 10% plus applicable surcharge and cess, provided the long term capital gains are computed without substituting indexed cost in place of cost of acquisition.

w.e.f. 11<sup>th</sup> July 2014: Holding period for qualifying as long term capital gain is more than 36 month and concessional rate of 10% is not available.

#### **11.3.2.3 For Non-resident Indians**

Under section 115E of the Act for non-resident Indians, income by way of long-term capital gains in respect of Units is chargeable at the rate of 10% plus applicable cess. Such long-term capital gains would be calculated without indexation of cost of acquisition.

w.e.f. 11<sup>th</sup> July 2014: Holding period for qualifying as long term capital gain is more than 36 month and tax rate is 20%.

Non-resident Indians may opt for computation of long term capital gains as per section 112, which seems to be more beneficial.

#### **11.3.2.4 For Overseas Financial Organizations, including Overseas Corporate Bodies and Foreign Institutional Investors fulfilling conditions laid down under section 115AB (Offshore Fund)**

Under section 115AB of the Act, income by way of long-term capital gains in respect of units purchased in foreign currency held for a period of more than 12 months will be chargeable to tax at the rate of 10%, plus applicable surcharge and cess. Such gains would be calculated without indexation of cost of acquisition.

w.e.f. 11<sup>th</sup> July 2014: Holding period for qualifying as long term capital gain is more than 36 month and tax rate is 20%.

### **11.3.3 Short Term Capital Gains on Transfer of Units**

The provisions for taxation of short-term capital gains for different categories of assessee are explained hereunder:

Short term Capital Gains in respect of Units held for a period of not more than 12 months (36 months w.e.f. 11<sup>th</sup> July 2014) is added to the total income. Total income including short-term capital gains is chargeable to tax as per the relevant slab rates.

#### **Income Tax Rates**

The maximum income tax rates for various categories of assessee are as under:

Resident individuals and HUF	30% plus Surcharge plus education cess*
Partnership Firms	30% plus Surcharge plus education cess*

Indian companies	30% plus Surcharge plus education cess#
Non Resident Indians	30% plus Surcharge plus education cess*
Foreign Companies	40% plus Surcharge plus education cess\$

\* Surcharge @ 10% where the total income exceeds INR 10,000,000. Education cess at the rate of 3% on the income tax (including applicable surcharge)

# Surcharge @ 5% where the total income exceeds INR 10,000,000 and @ 10% where total income exceeds INR 100,000,000. Education cess at the rate of 3% on the income tax (including applicable surcharge)

\$ Surcharge @ 2% where the total income exceeds INR 10,000,000 and @ 5% where total income exceeds INR 100,000,000. Education cess at the rate of 3% on the income tax (including applicable surcharge)

### 11.3.4 Capital Losses

Losses under the head “Capital Gains” cannot be set off against income under any other head. Further within the head “Capital Gains”, losses arising from the transfer of long-term capital assets cannot be adjusted against gains arising from the transfer of a short-term capital asset. However, losses arising from the transfer of short-term capital assets can be adjusted against gains arising from the transfer of either a long-term or a short-term capital asset.

Unabsorbed long-term capital loss can be carried forward and set off against the long-term capital gains arising in any of the subsequent eight assessment years.

Unabsorbed short-term capital loss can be carried forward and set off against the income under the head Capital Gains in any of the subsequent eight assessment years.

According to section 94(7) of the Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then losses arising from such sale to the extent of income received or receivable on such units shall be ignored for the purpose of computing income chargeable to tax.

Further, Sub-section (8) of Section 94 provides that, where additional units have been issued to any person without any payment, on the basis of existing units held by such person then the loss on sale of original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within three months prior to the record date fixed for receipt of additional units and sold within nine months from such record date. However, the loss so ignored shall be considered as cost of acquisition of such additional units held on the date of sale by such person.

## 11.5 Tax Deduction at Source

### 11.4.1 For Income in respect of Units

No tax shall be deducted at source in respect of any income credited or paid in respect of units of the Fund as per the provisions, section 194K and section 196A.

### 11.4.2 For Capital Gains

#### 11.4.2.1 In respect of Resident Unit holders:

No tax is required to be deducted at source on capital gains arising to any resident unit holder (under section 194K) vide circular no. 715 dated August 8, 1995 issued by the Central Board for Direct Taxes (CBDT).



#### 11.4.2.2 In respect of Non-Resident Unit holders:

Under section 195 of the Act, tax shall be deducted at source in respect of capital gains as under:

In case of non-resident other than a company:

- |  |                         |
|--|-------------------------|
| - Long term capital gain – other than equity scheme  | 20% plus education cess |
| - Short term capital gain – other than equity scheme | 30% plus education cess |

As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the assessee. However, to be entitled to a beneficial rate under the DTAA, the non-resident Unitholder will be required to provide appropriate documents to the Mutual Fund.

#### 11.4.3 Exemption from Tax on Capital Gains arising on Transfer of Units Held for more than 12 months

##### 11.4.3.1 Under section 54EC of the Act

As provided under section 54EC, and subject to the conditions specified therein, where an assessee has made capital gains from the transfer of units held in Mutual Fund Scheme for a period exceeding 12 months and the assessee has any time within a period of 6 months after the date of such transfer, invested the whole of the capital gains in the long term specified assets i.e., in bonds redeemable after 3 years issued by the National Highways Authority of India or by the Rural Electrification Corporation Limited, such capital gains shall be exempted from tax on capital gains under section 54EC of the Income Tax Act, 1961. However, if the assessee has invested only a part of the capital gains, he will be eligible for the proportionate exemption. The Section also provides that investment in long term specified asset made after 01.04.2007 shall not exceed Rs. 50 lacs. Further, if the long term specified asset is transferred / converted into money before 3 years, the capital gains which were previously exempt shall be deemed to be income in the previous year of transfer.

Section 54EC provides that where any investment has been allowed as a deduction under this section the same shall not be allowed as deduction in Section 80C.

##### 11.4.3.2 Under Section 54ED of the Act

Under Section 54ED and subject to the conditions specified therein, capital gains arising from the transfer of units held in the Mutual Fund Scheme for a period exceeding 12 months will be exempt, if the assessee has, any time within a period of 6 months after the date of such transfer, invested the whole of the capital gains in acquiring equity shares forming part of an eligible issue of capital. However, if the assessee has invested only a part of the capital gains, he will be eligible for the proportionate exemption. An eligible issue of capital means an issue of equity shares offered for subscription to the public by a public company formed and registered in India. The Section also provides that investment in long term specified asset made after 01.04.2007 shall not exceed Rs.50 lacs. Further, if the long term specified asset is transferred / converted into money before 3 years, the capital gains which were previously exempt shall be deemed to be income in the previous year of transfer.

Section 54ED provides that where any investment has been allowed as a deduction under this section the same shall not be allowed as deduction in Section 80C.

#### **11.4.4 Investment by Charitable and Religious Trusts**

Units of a Mutual fund Scheme referred to in clause 23D of section 10 of the Income Tax Act, 1961, constitute an eligible avenue for investment by charitable or religious trusts per rule 17C of the Income Tax Rules, 1962, read with clause (xii) of sub-section (5) of section 11 of the Income Tax Act, 1961.

#### **11.4.5 Wealth Tax**

Units held under the Mutual Fund Scheme are not treated as assets within the meaning of section 2(ea) of the Wealth Tax Act, 1957 and are, therefore, not liable to Wealth-Tax.

**EACH INVESTOR IS ADVISED TO CONSULT HIS OR HER OWN TAX CONSULTANT WITH RESPECT TO THE SPECIFIC TAX IMPLICATIONS ARISING OUT OF HIS OR HER PARTICIPATION IN THE SCHEME.**

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### *B. LEGAL INFORMATION*

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#### *(1) NOMINATION FACILITY*

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As per the recent AMFI Circulars, a Unit Holder in the scheme may be allowed to nominate upto a maximum of three nominees. The nomination will be on a proportionate basis and investor may specify the percentage for each nominee in the event of his / her demise. If the percentage is not specified, it will be equal percentage for the nominees by default. Provision for mentioning the details of the nominees are made in the KIM/ application form and or separate nomination request forms is made available to the investors. The details of the nominee(s) will be captured by the Registrar and will be available in the data base maintained. Upon receipt of intimation from the nominee(s) regarding demise of the investor duly accompanied with necessary documents e.g. providing proof of the death of the Unit Holder, signature of the nominee, furnishing proof of guardianship if the nominee is a minor, and the execution of an indemnity bond or such other documents as may be required from the nominee in favor of and to the satisfaction of the AMC / Registrar, the units will be transmitted to the nominee(s) as per the percentage advised by the investor and a confirmation/fresh Statement of account will be sent to the new holder(s).

Only the following categories of Indian residents can be nominated: (a) individuals; (b) minors through parent / legal guardian (whose name and address must be provided); (c) religious or charitable trusts; and (d) Central Government, State Government, a local authority or any person designated by virtue of his office.

A nomination in respect of Units will be treated as rescinded upon the Redemption of all Units. Cancellation of a nomination can be made only by the Unit Holders who made the original nomination and must be notified in writing. On receipt of a valid cancellation, the nomination shall be treated as rescinded and the AMC / Fund shall not be under any obligation to transfer the Units in favor of the nominee.

The transfer of Units / payment to the nominee of the Redemption proceeds shall be valid and effectual against any demand made upon the Fund / AMC / Trustee and shall discharge the Fund /AMC / Trustee of all liability towards the estate of the deceased Unit Holder and his / her legal personal representative or other successors.

The Fund, the AMC and the Trustee are entitled to be indemnified from the deceased Unit Holder's estate against any liabilities whatsoever that any of them may suffer or incur in connection with a nomination.

AMFI had wide its best practice Circular dated January 28, 2011 recommended Mutual Funds to implement certain standardised procedures with regard to Nomination facility as follows:-

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

#### **Investments made on behalf of Minors:**

##### **1. “On behalf of Minor” Accounts:**

The Asset Management Company (AMC)/ Registrar and Transfer Agent (RTA) shall follow the below mentioned guidelines in respect of the same:

- a. The minor shall be the first and the sole holder in the folio. No joint holder will be allowed in a folio where the minor is the first or sole holder.
- b. Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
- c. The AMC/ RTA shall obtain photo copy of Birth Certificate or School Leaving Certificate or Higher Secondary Board marksheet or Passport or any other suitable proof of the date of birth of the minor, in case of natural guardian and supporting documentary evidence in case of court appointed legal guardian.

##### **2. Minor Attaining Majority – Status Change:**

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

- a. Prior to minor attaining majority, AMC/RTA shall send an advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents to change the status to “Major”.
- b. Till such time the said application form along with the requisite documents from the ‘Major’ are received by the AMC/RTA, the guardian will not be able to undertake any financial and non-financial transactions including fresh registration of SIP/ STP/ SWP after the date of the minor attaining majority. However, the AMC/ RTA shall continue to process the existing standing instructions like SIP/ point of acceptance/ SWP registered prior to the minor attaining majority till the time an instruction from the ‘Major’ to terminate the existing standing instruction is received by the mutual fund.

- c. The AMC would send communication through email and mobile alerts if email ids and mobile numbers are available to the investor for intimating the processes as laid out in point (a) & (b) above.
- d. In case the documents pertaining to change in status are not received by the date when the minor attains majority, the account shall be frozen (i.e. for redemptions & switch-outs, etc) for operation by the guardian.

### 3. Change in Guardian:

The AMC/ RTA shall register change in guardian either due to mutual consent or demise of existing guardian, subject to submission of various documents, including Bank attestation attesting the signature of the new guardian in a bank account of the minor and KYC Acknowledgment letter of the new guardian. The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian.

Investors are requested to refer the NISM recommendations & AMFI Best Practice circular dated February 9, 2011 uploaded on our website [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in), for the list of documents required in respect of change in guardian.

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#### (2) ANTI MONEY LAUNDERING

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MAMF is committed to complying with all applicable anti money laundering and KYC laws and regulations. MAMF recognizes the value and importance of creating a business environment that strongly discourages money launderers from using MAMF. To that end, certain policies have been adopted by the AMC. The need to KYC is vital for the prevention of money laundering.

Investor's are requested to refer to **Know Your Client (KYC)** given under How to Apply?

However, as per letter received by AMFI dated June 19, 2009 from SEBI wherein it has been conveyed that micro schemes such as SIPs upto Rs. 50,000 per year per investor shall be exempted from the requirement of PAN. The letter further states that this may be operationalised by accepting other standard specified identification instruments like Voter ID card, Government/Defense ID card, Card of Reputed employer, Driving License, Passport in lieu of PAN. The detailed process and the applicability of such transactions is given in relevant sections above.

#### Suspicious Transaction Reporting

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

#### Investor Protection

The Scheme is designed to support long-term investment and active trading is discouraged. Short term or excessive trading into and out of the Scheme may affect its performance by disrupting portfolio management strategies and by increasing expenses. The Fund and the distributors may refuse to accept applications for Purchase, especially where transactions are deemed disruptive, particularly from market timers or investors who, in their opinion, have a pattern of short term or excessive trading or whose trading has been or may be disruptive for the Scheme. If in the opinion of the AMC, a Unit Holder is indulging in short term or excessive trading as above, it shall, under powers delegated by the Trustee, have absolute discretion to reject any application, prevent further transaction by the

Unit Holder or redeem the Units held by the Unit Holder at any time prior to the expiry of 30 Business Days from the date of the application.

### (3) *TRANSFER AND TRANSMISSION OF UNITS*

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#### **Transfer of Units**

The Fund will offer and redeem the Units on a continuous basis after the NFO Period. If a person becomes a Unit Holder in the Scheme consequent to operation of law, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death or insolvency, the transferee's name will be recorded by the Fund subject to production of satisfactory evidence and if the transferee is otherwise eligible to hold the Units. In all such cases, if the transferee is not eligible to hold the Units, the Units will be redeemed and the proceeds will be disbursed to the transferee if such transferee is entitled to the same.

In accordance with SEBI Circular No. CIR/IMD/DF/10/2010 dated August 18, 2010 on transferability of mutual fund units, units of all the schemes of the Fund which are held in demat form shall be freely transferable under the depository system.

#### **Transmission of Units**

If Units are held in a single name by the Unit Holder, Units shall be transmitted in favor of the nominee where the Unit Holder has appointed a nominee upon production of death certificate or any other documents to the satisfaction of the AMC / Registrar. If the Unit Holder has not appointed a nominee or in the case where the nominee dies before the Unit Holder, the Units shall be transmitted in favor of or as otherwise directed by the Unit Holder's personal representative(s) on production of the death certificate and / or any other documents to the satisfaction of the AMC / Registrar. If Units are held by more than one registered Unit Holder, then, upon death of one of the Unit Holders, the Units shall be transmitted in favor of the remaining Holder(s) (in the order in which the names appear in the register of Unit Holders with the Registrar) on production of a death certificate and / or any other documents to the satisfaction of the AMC /Registrar and to the nominee only upon death of all the Unit Holders.

AMFI had wide its best practice Circular dated January 28, 2011 recommended Mutual Funds to implement certain standardised procedures with regard to Transmission facility as follows:-

1. Investor claiming the transmission of units in his/ their names are required to submit the prescribed documents based on the kind of scenario for transmission.
2. In the event of transmission of units to minor, documents submitted including KYC, bank attestation, indemnity etc. should be of the guardian of the minor.
3. The fund may also seek additional documents if the amount involved is above Rs. 2 lakhs, on the case to case basis or depending upon the circumstances of each case.
4. Investors/ Unitholders are requested to refer the “**Transmission Documents Matrix – Ready Reckoner**” mentioned under Download section of our website [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in), for ready reference of the various documents required under different scenarios of Transmission as mentioned below:
  - To surviving unitholders in case of death of one or more unitholders;
  - To registered nominee(s) in case of death of sole or all unitholders;
  - To claimant(s) where nominee is not registered in case of death of sole or all unitholders;
  - Transmission in case of HUF due to death of Karta.
5. A copy of PAN or another proof of identity of nominee(s)/ claimant(s) may not be required if KYC issued by CVL is made available.
6. In the event of transmission of units in favour of the minor, various documents like KYC, PAN, Bank details, indemnity etc should be of the guardian of the minor.



7. The Fund/ AMC/ RTA may seek additional documents, if the amount of transmission is Rs. Two Lakhs and above, on a case to case basis. Investors/ Unitholders are requested to refer the Matrix, referred in point (4) above.

The Fund/ AMC/ RTA may seek additional documents, apart from those mentioned in each of the above cases. Investors are requested to refer National Institute of Securities Market (NISM) guidelines on select mutual fund services processes & AMFI vide its Best Practice Circular Guidelines dated February 9, 2011, on our website [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in), for the list of prescribed documents required in respect of abovementioned cases and any other clarifications on the same.

To avoid the risks of frauds and enhance operational efficiency, the AMC will not accept Transmission-cum-Redemption request. Instead, the AMC will first accept and process the request for transmission of units with proper documentations and thereafter accept and process redemption request. The said changes will be effective from April 01, 2015.

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*(4) DURATION OF THE SCHEME/ WINDING UP*

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The duration of the Scheme is perpetual. However, in accordance with the Regulations, the Scheme may be wound up, after repaying the amount due to the Unit Holders:

- There are changes in the capital markets, fiscal laws or legal system, or any event or series of event occurs, which, in the opinion of the Trustee, requires the Scheme to be wound up; or
- If 75% of the Unit Holders of the Scheme pass a resolution that the Scheme be wound up; or
- If SEBI so directs in the interests of Unit Holders.

If the Scheme is so wound up, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme:

- To SEBI; and
- In two daily newspapers having a circulation all over India, and in a vernacular newspaper with circulation in Mumbai.

On and from the date of the publication of notice of winding up, the Trustee or the AMC, as the case may be, shall:

- Cease to carry on any business activities in respect of the Scheme so wound up;
- Cease to create or cancel Units in the Scheme; and
- Cease to issue or redeem Units in the Scheme.

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*(5) PROCEDURE AND MANNER OF WINDING UP*

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The Trustee shall call a meeting of the Unit Holders to approve, by simple majority of the Unit Holders present and voting at the meeting, a resolution authorizing the Trustee or any other person to take steps for winding up of the Scheme.

The Trustee, or other person authorized as above, shall dispose of the assets of the Scheme concerned in the best interest of Unit Holders of the Scheme. The proceeds of sale shall be first utilized towards discharge of such liabilities as are due and payable under the Scheme, and, after meeting the expenses connected with the winding up, the balance shall be paid to the Unit Holders in proportion to their respective interests in the assets of the Scheme, as on the date when the decision for winding up was taken.

On completion of the winding up, the Trustee shall forward to SEBI and Unit Holders a report on the winding up, detailing, the circumstances leading to the winding up, the steps taken for disposal of the



assets of the Scheme before winding up, net assets available for distribution to the Unit Holders and a certificate from the Auditors of the Fund.

Notwithstanding anything contained herein above, the provisions of the SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until winding up is completed or the Scheme ceases to exist.

After the receipt of the Trustee's report referred to above, and if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

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#### (6) *SUSPENSION OF PURCHASE OF UNITS*

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Subject to the approval of the Boards of the AMC and of the Trustee, and subject also to necessary communication of the same to SEBI, the determination of the NAV of the Units of the Scheme, and consequently of the Purchase, Redemption and switching of Units, may be temporarily suspended in any of the conditions described below:

- a) When one or more stock exchanges or markets which provide the basis of valuation for a substantial portion of the assets of the Scheme is closed otherwise than for ordinary holidays.
- b) When, as a result of political, economic or monetary events or any other circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme is not considered to be reasonably practicable or might otherwise be detrimental to the interests of the Unit Holders.
- c) In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, so that the value of the securities of the Scheme cannot be accurately or reliably arrived at.
- d) If, in the opinion of the AMC, extreme volatility of markets causes or might cause, prejudice to the interests of the Unit Holders of the Scheme.
- e) In case of natural calamities, war, strikes, riots, and bandhs.
- f) In case of any other event of force majeure or disaster that in the opinion of the AMC affects the normal functioning of the AMC or the Registrar.
- g) If so directed by SEBI.

In any of the above eventualities, the time limits for processing requests for subscription and Redemption of Units will not be applicable. All types of subscription and Redemption of Units will be processed on the basis of the immediately next Applicable NAV after the resumption of dealings in Units.

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#### (7) *UNCLAIMED REDEMPTIONS & DIVIDEND AMOUNT*

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As per circular no. MFD/CIR/9/120/2000, dated November 24, 2000 issued by SEBI, the unclaimed Redemption and dividend amounts shall be deployed by the Fund in money market instruments only. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders.

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### *C. GENERAL INFORMATION*

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#### (1) *UNDERWRITING:*

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The Schemes may take up underwriting of other issues subject to the relevant SEBI Regulations and as may be permitted by the Board of Directors of the Investment Manager.

Regulation 46 of SEBI (Mutual Funds) Regulations, 1996, states that:

“Mutual Funds may enter into underwriting agreement after obtaining a certificate of registration in terms of the SEBI (underwriters) rules and SEBI (underwriters) Regulations, 1993, authorising it to carry on activities as underwriters.

For the purpose of these Regulations, the underwriting obligation will be deemed as if the investments are made in such securities.

The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme.

Provided that the underwriting obligation of a Mutual Fund shall not at any time exceed the total value of net assets of the Scheme”.

This Scheme does not propose to underwrite issuances of securities of other issuers.

**Underwriting Obligations with respect to issues of Associates Companies of Sponsor:** As on date, the Fund has no underwriting obligations.

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## (2) *SECURITIES LENDING:*

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If permitted by SEBI under extant regulations/guidelines, the Trustee may permit the fund to engage in stock lending. Securities lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation.

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity. It may be noted this activity would have the inherent probability of collateral value drastically falling in the times of strong downward market trends.

Such investments shall be made when in view of the Fund Manager, such investments could provide reasonable returns commensurate with risks associated with such investments and shall be made in accordance with the investment objective of the Scheme. The lending transactions may require procurement of collateral which would exceed in value, the value of the securities lent. The collateral can be in the form of cash, bank guarantee, government securities or certificate of deposits or other securities as may be agreed.

If permitted by SEBI under extant regulations/guidelines, the scheme may also engage in stock borrowing. Stock borrowing means the borrowing of stock from another person or entity for a fixed period of time, at a negotiated compensation. The securities borrowed will be returned to the lender on expiry of the stipulated period.

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## (3) *BORROWING BY THE MUTUAL FUNDS:*

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Under the Regulations, the Fund is allowed to borrow to meet the temporary liquidity needs of the Scheme for the purpose of repurchase, Redemption of Units or payment of interest or dividend to the Unit Holders. Further, as per Regulations, the Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of such borrowing shall not exceed a period of 6 months.

The Fund may enter into necessary arrangements with banks / financial institutions for borrowing purposes. The Scheme may bear the interest charged on such borrowings.

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(4) *INTER-SCHEME TRANSFER OF INVESTMENTS:*

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Transfer of Investments from one Scheme to another scheme, present or to be floated in future, may be made at the discretion of the Fund Manager, as per the current regulations, only if:

- (a) Such transfer is done at the prevailing market price for quoted instruments on spot basis;  
*Explanation: "Spot Basis" shall have same meaning as specified by stock exchange for spot transactions.*
- (b) The securities so transferred is/are in conformity with the Investment objective of the scheme to which such transfer has been made.

In case of any amendment in the Regulations, transfer of Investments from one Scheme to another scheme, present or to be floated in future, may also be made, subject to the applicable Regulations at the time of transfer, at the discretion of the Fund Manager.

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(5) *ASSOCIATE TRANSACTIONS:*

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The Asset Management Company may utilise the services of Sponsor/its associates/subsidiaries or any other associates within the meaning of the SEBI Regulations in case such company (including its employees and relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms as permissible under the SEBI Regulations.

In accordance with SEBI (Mutual Fund) Regulation, 1996, the Scheme shall not make any investment in :

- (a) any unlisted security of an associate or group company of the sponsor; or
- (b) any security issued by way of private placement by an associate or group company of the sponsor; or
- (c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.

**Details of transactions with Associates:**

The AMC has entered into agreement Nov 1, 2012 with Mirae Asset Global Investments (Hong Kong) Limited ("Mirae HK") for providing advisory services to Mirae HK and revised Schedule 2 dated Mar 13, 2015 for advising on three India dedicated funds. The AMC has also entered into an agreement dated September 18, 2015 with Mirae HK for providing advisory services for Korea domiciled Fund on perpetual basis. The AMC has entered into an agreement with Mirae HK on September 1, 2016 to seek non-binding advisory services for investments in overseas securities on perpetual basis.

The AMC provides investment advice to Mirae Asset Global Investments Company Limited, Korea (Mirae Korea) through agreement dated July 1, 2014 for providing advisory services to Mirae Korea for Insight Fund further amended on March 13, 2015. Further, the AMC also entered an agreement

dated July 1, 2015 for providing advisory services to Mirae Korea for Korea domiciled Fixed Income Fund.

The fund management of the Scheme (including the international portion) shall rest with the AMC. The fees related to these services would be borne by the AMC and would not be charged to the scheme.

The same are not in conflict with the mutual fund activities.

### **Underwriting Obligations with respect to issues of Associates Companies of Sponsor:**

As on date, the Fund has no underwriting obligations.

**The Brokerage/ Commision / charges paid to subsidiary/Associates of the Sponsor, during the past three years:**

#### **1. Brokerage paid to associates/related parties/group companies of Sponsor/AMC**

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association / Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of total value of transaction of fund)		Brokerage(Rs. Cr. & % of total brokerage paid by the fund)	
MIRAE ASSET SECURITIES (HK) LTD	Group	April 01, 2014 to March 31, 2015	10.62	0.45%	0.01	0.27%
		April 01, 2015 to March 31, 2016	11.61	0.23%	0.01	0.14%
		April 01, 2016 to March 31, 2017	NIL	NIL	NIL	NIL

#### **2. Commission paid to associates/related parties/group companies of Sponsor/AMC**

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association/Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of total value of transaction of fund)		Commission (Rs. Cr. & % of total Commission paid by the fund)	
SATCO CAPITAL MARKETS LTD.	Commission paid for procuring unit capital	April 01, 2014 to March 31, 2015	1.73	0.25	0.00	0.03
		April 01, 2015 to March 31, 2016	0.39	0.02	0.01	0.03
		April 01, 2016 to March 31, 2017	0.31	0.00	0.00	0.01

<i>CHANCHAL GOPIKISAN BIYANI</i>	<i>Commission paid for procuring unit capital</i>	<i>April 01, 2016 to March 31, 2017</i>	0.03	0.00	0.00	0.00
\$ Rounded off upto 2 decimals.						

### 3. Details of Trusteeship and Investment Management Fees:-

Particulars	Period	Amount (Rs. in Crores)
Trusteeship Fees paid to Mirae Asset Trustee Company Private Limited	FY 2014-2015	0.14
Investment Management Fees paid to Mirae Asset Global Investments (India) Private Limited (AMC)		15.81
Trusteeship Fees paid to Mirae Asset Trustee Company Private Limited	FY 2015-2016	0.15
Investment Management Fees paid to Mirae Asset Global Investments (India) Private Limited (AMC)		30.47
Trusteeship Fees paid to Mirae Asset Trustee Company Private Limited	FY 2016-2017	0.15
Investment Management Fees paid to Mirae Asset Global Investments (India) Private Limited (AMC)		65.77

The AMC may from time to time for conducting the normal business, utilise the services of any of the Associates of the Sponsors. The AMC may also utilise the services of any of the subsidiaries of the Sponsor to be established at a later date in case such subsidiaries are in a position to provide requisite services to the AMC.

The AMC shall conduct its business with these Associates or group of the Sponsor on commercial terms and on arms length basis and at the then prevailing market rates / prices to the extent permitted under the regulations, after an evaluation of the competitiveness of the pricing offered by the associate or group of the Sponsor and the services to be provided by them. The AMC may also utilise the services of associate / group of sponsor for marketing / distribution of applications and agency commission at a rate not exceeding the rate of commission being paid to other agents for the Scheme will be paid for such services.

Presently, the AMC does not propose to have dealings, transactions and services for marketing and distribution of the scheme through the associates or group company of the sponsor.

#### (6) MODE OF HOLDING

An application can be made by up to a maximum of three applicants. Applicants must specify the 'mode of holding' in the Application Form.

If an application is made by one Unit Holder only, then the mode of holding will be considered as 'First-named holder'

If an application is made by more than one investors, they have an option to specify the mode of holding as either 'First-named holder' or 'Jointly' or 'Anyone or Survivor'.

If the mode of holding is specified as 'First-named holder', all instructions to the Fund would have to be signed by the First named Unit Holder only. The Fund will not be empowered to act on the instruction of the Second or Third Unit Holder in such cases.

If the mode of holding is specified as 'Jointly', all instructions to the Fund would have to be signed by all the Unit Holders, jointly. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

If the mode of holding is specified as 'Anyone or Survivor', an instruction signed by any one of the Unit Holders will be acted upon by the Fund. It will not be necessary for all the Unit Holders to sign. If an application is made by more than one investors and the mode of holding is not specified, the mode of holding would be treated as joint. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

In all cases, all communication to Unit Holders (including account statements, statutory notices and communication, etc.) will be addressed to the first-named Unit Holder. All payments, whether for redemptions, dividends, etc. will be made favoring the first-named Unit Holder. The first-named Unit Holder shall have the right to exercise the voting rights associated with such Units as per the applicable guidelines.

Investors should carefully study paragraphs "Transmission of Units" and "Nomination Facility" below "Facilities Offered to Investors under the Scheme" before ticking the relevant box pertaining to the mode of holding in the Application Form.

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#### (7) *LIEN ON UNITS FOR LOANS*

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In conformity with the guidelines and notifications issued by SEBI / Government of India / any other regulatory body from time to time, Units under the Scheme may be offered as security by way of a lien / charge in favor of scheduled banks, financial institutions, non-banking finance companies (NBFCs) or any other body. The Registrar will note and record the lien against such Units. A standard form for this purpose is available on request with the Registrar.

The Unit Holder will not be able to redeem / switch Units under lien until the Lien Holder provides written authorization to the Fund that the lien / charge may be vacated. As long as Units are under lien, the Lien Holder will have complete authority to exercise the lien, thereby redeeming such Units and receiving payment proceeds. In such instance, the Unit Holder will be informed by the Registrar through an account statement. In no case will the Units be transferred from the Unit Holder to Lien Holder. All benefits accruing on the Units under lien during the period of the lien in the form of bonus, dividend or otherwise shall be subject to lien.

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#### (8) *RIGHT TO LIMIT REDEMPTIONS OF UNITS*

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The fund shall at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan/Option) of the scheme(s) of the fund on the occurrence of the below mentioned event for a period not exceeding ten (10) working days in any ninety (90) days period. The restriction on the Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable for the Redemption/switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). Further, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable for first Rs. 2,00,000/- (Rupees Two Lakhs).



The restriction on redemption of the units of the Schemes may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets. List of such circumstances are as follows:

- Liquidity issues: when market at large becomes illiquid affecting almost all securities rather than any issuer specific security.
- Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies
- Operational issues - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).
- If so directed by SEBI

Since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situations, the same may result in exceptionally large number of Redemption being made and in such a situation the indicative timeline (i.e. within 3 to 4 Business Days for schemes other than liquid funds and within 1 Business Day for liquid funds) mentioned by the Fund in the scheme offering documents, for processing of request of Redemption may not be applicable.

Any restriction on Redemption or suspend Redemption of the Units in the scheme(s) of the Fund shall be made applicable only after prior approval of the Board of Directors of the AMC and Trustee Company.

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*(9) SCHEME TO BE BINDING ON THE UNIT HOLDERS*

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Subject to the Regulations, the Trustee may, from time to time, add or otherwise vary or alter all or any of the features of investment options and terms of the Scheme, if necessary, after obtaining the prior permission of SEBI and Unit Holders and the same shall be binding on all the Unit Holders of the Scheme and any person or persons claiming through or under them as if each Unit Holder or such person expressly had agreed that such features and terms shall be so binding. Any additions /variations / alternations shall be done only in accordance with the Regulations.

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*(10) REGISTER OF THE SCHEME'S UNIT HOLDERS*

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Registers of Unit Holders, containing necessary particulars, will be maintained at the registered office of the AMC at Mumbai, and at the office of the Registrar at Hyderabad and at such other places as the Trustee may decide.

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*(11) WEBSITE*

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The website of the Fund/AMC is intended solely for the use of Resident Indians, NRIs, PIOs, Foreign Portfolio Investors (FPIs) and FIIs registered with SEBI. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular, the information is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited, including the United States of America and Canada. Any persons resident outside India who nevertheless intend to respond to this material must first satisfy themselves that they are not subject to any local requirements which restrict or prohibit them from so doing. Information other than that relating specifically to the AMC/the Fund and its products, is for information purposes only and should not be relied upon as a basis for investment decisions. The AMC cannot be held responsible for any information contained in any website linked from this website.

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*(12) POWER TO MAKE RULES*

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Subject to the Regulations, the Trustee may, from time to time, prescribe terms and make rules for the purpose of giving effect to the Scheme and may authorize the AMC to add to, alter or amend all or any of such terms and rules.

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*(13) POWER TO REMOVE DIFFICULTIES*

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If any difficulties arise in giving effect to the provisions of the Scheme, the Trustee may, subject to the Regulations, do anything not inconsistent with such provisions, which appears to it to be necessary, desirable or expedient, for the purpose of removing such difficulty.

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*(14) OMNIBUS CLAUSE*

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Besides the AMC, the Trustee / Sponsor may also absorb expenditures in addition to the limits laid down under Regulation 52 of the SEBI Regulations.

Further, any amendment / clarification and guidelines including in the form of notes or circulars issued from time to time by SEBI for the operation and management of mutual fund shall be applicable.

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*(15) DOCUMENTS AVAILABLE FOR INSPECTION*

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The following documents will be available for inspection at the office of the Mutual Fund at 606, 6th Floor, Windsor Building, Off. CST Road, Kalina, Santacruz (E), Mumbai – 400098 during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any.
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

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*(16) INVESTOR GRIEVANCES REDRESSAL MECHANISM*

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The investor complaints received by the Fund are redressed by the Investor Relations Officer and Karvy Computershare Private Limited. The Compliance Officer regularly reviews the redressal of complaints for assessing the quality and timeliness of the redressal.

• **Investor Complaints**

Given below is the status of complaints/requests received during the period April 1, 2015 to May 31, 2017 (Segregated year wise).

SCHEMES	April 2015 – March 2016			April 2016 – March 2017			April 2017 – May 2017		
	Received	Redressed	Pending	Received	Redressed	Pending	Received	Redressed	Pending

SCHEMES	April 2015 – March 2016			April 2016 – March 2017			April 2017 – May 2017		
	Received	Redressed	Pending	Received	Redressed	Pending	Received	Redressed	Pending
Mirae Asset India Opportunities Fund	2	2	0	2	2	0	0	0	0
Mirae Asset Tax Saver Fund	0	0	0	1	1	0	0	0	0
Mirae Asset Prudence Fund	0	0	0	2	2	0	3	3	0
Mirae Asset Emerging Bluechip Fund	2	2	0	21	21	0	11	11	0
Mirae Asset China Advantage Fund	1	1	0	1	1	0	0	0	0
Mirae Asset Great Consumer Fund	0	0	0	1	1	0	0	0	0
Mirae Asset Savings Fund	0	0	0	0	0	0	0	0	0
Mirae Asset Cash Management Fund	2	2	0	2	2	0	0	0	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>0</b>

For this purpose, Mr. Girish Dhanani can be contacted at the Corporate Office of the AMC. The address and phone numbers are:

**Mirae Asset Global Investments (India) Pvt. Ltd.**

606, 6th Floor, Windsor Building, Off CST Road, Kalina, Santacruz (E), Mumbai – 400098.

**E-Mail: [ghanani.girish@miraeasset.com](mailto:ghanani.girish@miraeasset.com)**

**Tel: +91 22 6780 0300/325 Fax: +91 22 6725 3945**

The investor complaints received by the Fund are redressed by the Investor Relations Officer and Karvy Computershare Private Limited. The Compliance Officer regularly reviews the redressal of complaints for assessing the quality and timeliness of the redressal.

**NOTWITHSTANDING ANYTHING CONTAINED IN THIS STATEMENT OF ADDITIONAL INFORMATION, THE PROVISIONS OF SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AND THE GUIDELINES THEREUNDER SHALL BE APPLICABLE.**

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