

KEY INFORMATION MEMORANDUM

ESSEL ARBITRAGE FUND

(An open ended scheme investing in arbitrage opportunities)

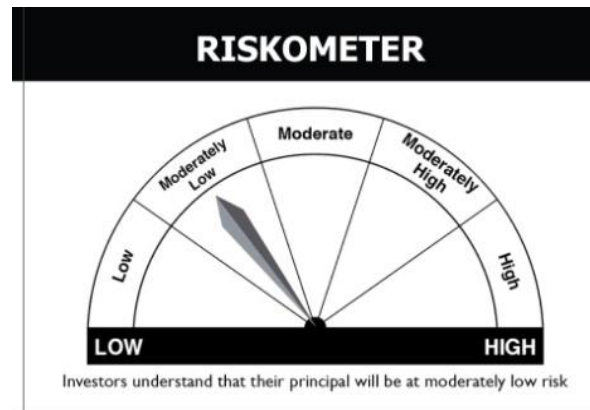
Continuous Offer of Units at NAV based prices

ESSEL ARBITRAGE FUND

(An open ended scheme investing in arbitrage opportunities)

This product is suitable for investors who are seeking*

- To generate income over short term.
- To generate income by predominantly investing in arbitrage opportunities in cash and the derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.
- Degree of risk – MODERATELY LOW



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

Name of Mutual Fund	Name of Asset Management Company
Essel Mutual Fund	Essel Finance AMC Limited (formerly Peerless Funds Management Co. Limited)

This Key Information Memorandum (KIM) sets forth the information which a prospective investor ought to know before investing. **For further details of the Scheme/Mutual Fund, due diligence certificate by the AMC, Key personnel, Investors' rights & services, risk factors, penalties & pending litigations etc, investors should, before investment, refer to the Scheme Information Document (SID) and Statement of Additional Information (SAI) available free of cost at any of the Investor Service Centre's or distributors or from the website www.esselfinance.com**

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the adequacy of this KIM.

This KIM is dated June 25, 2019.

Investment Objective	<p>The investment objective of the Scheme is to generate income by predominantly investing in arbitrage opportunities in the cash and the derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments. However, there is no assurance that the investment objective of the scheme will be realized.</p> <p>The Fund will be a pure arbitrage fund with no directional positions in equity and derivatives (un-hedged) positions.</p>																																								
Asset Allocation Pattern	<p>Under normal circumstances the asset allocation pattern will be:</p> <table><tr><th>Instruments</th><th colspan="2">Normal Allocation (% of Net Assets)</th><th>Risk Profile</th></tr><tr><td></td><th>Maximum</th><th>Maximum</th><th>Low/Medium/High</th></tr><tr><td>Equity or Equity Related Instruments</td><td>65</td><td>100</td><td>Medium to High</td></tr><tr><td>Of which Equity and Equity derivatives (only arbitrage opportunity)</td><td>65</td><td>100</td><td>Medium to High</td></tr><tr><td>Debt and money market instruments</td><td>0</td><td>35</td><td>Low to Medium</td></tr></table> <p>When adequate arbitrage opportunities are not available in the Derivative and equity markets, the asset allocation of the scheme's portfolio will be as follows:</p> <table><tr><th>Instruments</th><th colspan="2">Indicative Allocation (% of Net Assets)</th><th>Risk Profile</th></tr><tr><td></td><th>Minimum</th><th>Maximum</th><th>Low/Medium/High</th></tr><tr><td>Equity or Equity Related Instruments</td><td>0</td><td>65</td><td>Medium to High</td></tr><tr><td>Of which Equity and Equity derivatives (only arbitrage opportunity)</td><td>0</td><td>65</td><td>Medium to High</td></tr><tr><td>Debt and money market instruments</td><td>35</td><td>100</td><td>Low to Medium</td></tr></table> <p>NOTE: Defensive circumstances are when the arbitrage opportunities in the market place are negligible or returns are lower than alternative investment opportunities as per the allocation pattern. The allocation under defensive circumstances will be made keeping in view the interest of the unit holders. The portfolio under such defensive circumstances will be rebalanced within 30 calendar days.</p> <p>The Fund shall not take any leveraged position. The cumulative gross exposure through equity, and debt shall not exceed 100% of the net assets of the scheme.</p>	Instruments	Normal Allocation (% of Net Assets)		Risk Profile		Maximum	Maximum	Low/Medium/High	Equity or Equity Related Instruments	65	100	Medium to High	Of which Equity and Equity derivatives (only arbitrage opportunity)	65	100	Medium to High	Debt and money market instruments	0	35	Low to Medium	Instruments	Indicative Allocation (% of Net Assets)		Risk Profile		Minimum	Maximum	Low/Medium/High	Equity or Equity Related Instruments	0	65	Medium to High	Of which Equity and Equity derivatives (only arbitrage opportunity)	0	65	Medium to High	Debt and money market instruments	35	100	Low to Medium
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	<p>In terms of SEBI Circular no. SEBI/IMD/CIR18/198647/2010 dated March 15, 2010; the mutual fund /AMC shall make investment out of the NFO proceeds only on or after the closure of the NFO period.</p> <p>The Scheme shall not invest in (i) Securitized debt, (ii) Foreign Securities including securitized debt of foreign companies, (iii) Equity Linked Debentures, (iv) ADRs/GDRs, (v) not undertake repo/reverse repo transactions in Corporate Debt Securities.</p> <p>As per investment restrictions specified in the Seventh schedule of SEBI (Mutual Fund) Regulations, 1996, the Scheme may invest in other schemes of the Mutual Fund or any other mutual fund without charging any fees, provided the aggregate inter-scheme investment made by all the schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Mutual Fund.</p> <p>Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as may be amended from time to time.</p> <p>Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI Circular no. MFD/CIR/01/047/99 dated February 10, 1999, SEBI Circular no. SEBI/IMD/CIR No 14/187175/2009 dated December 15, 2009 and framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme may engage in short selling and borrowing and lending of securities.</p> <p>The AMC shall adhere to the following limits should it engage in Stock Lending:</p> <ol style="list-style-type: none"> 1. Not more than 20% of the net assets of a Scheme can generally be deployed in Stock Lending. 2. Not more than 5% of the net assets of a Scheme can generally be deployed in Stock Lending to any single approved intermediary / counterparty. <p>The Scheme may review the above pattern of investments based on views on interest rates and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only.</p> <p>In the event of the asset allocation falling outside the limits specified in the asset allocation table, the Fund Manager will rebalance the same within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment committee shall then decide</p>
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	on the course of action. However, at all times the portfolio will adhere to the overall investment objective of the Scheme.
Investment Strategy	<p>EQUITY INVESTMENT STRATEGY:</p> <p>The scheme will predominantly invest in equity with an opportunistic tilt towards equity derivatives in order to exploit arbitrage opportunities. The rest will be invested in fixed income securities. While the overall exposure to equity and debt will be monitored continuously, the fund manager will also aim at identifying suitable arbitrage opportunities in cash and futures / options market.</p> <p>The fund manager would follow a strategy which will be a combination of top-down and bottom-up approach. Under the top-down process, the fund manager would look at various themes and sectors that have strong growth or potential high growth. A macro-economic view and global view is also taken into consideration for this process. On identification of themes and sectors, bottom-up process is initiated to identify investment opportunities in individual stocks. Stocks would be identified based on company and business analysis, industry analysis, future plans, projections, technical analysis and valuations. Based on analysis of various financial and non-financial parameters, the stocks are finally shortlisted for portfolio construction process.</p> <p>The Fund Manager of the scheme would also take cues from the global macroeconomic trends, Government policy and monetary policy actions to decide on the asset allocation. The allocations will be within the limits defined in the asset allocation table.</p> <p>Apart from in-house research, external research is used as an important source of information. Various magazines, journals, newspapers and databases also help in the research process.</p> <p>ARBITRAGE STRATEGY:</p> <p>The scheme would, time to time depending upon the market dynamics would engage in cash and future arbitrage. The cash futures arbitrage strategy can be employed when the price of the futures exceeds the price of the underlying stock due to mispricing. The fund would first buy the stocks in cash market and then sell in the futures market to lock the spread till expiry known as arbitrage return.</p>
Risk Profile of the Scheme	<p>Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment.</p> <p>Scheme specific Risk Factors are summarized below:</p> <p>Investments in equity and equity related instruments involve a degree of risk, both company specific and market risks and thus investors should not invest in the Scheme unless they can afford to take the risk of losing their investment.</p> <p>Equity and Equity Related Instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of Equity and Equity Related Instruments may fluctuate due to factors affecting the securities markets such as price volatility, volumes traded, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political,</p>

	<p>economic or other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units issued under the Scheme may be adversely affected.</p> <p>The scheme also carries risks associated with investing in debt and money market securities, derivatives. Investments in debt and money market instruments are subject to interest rate risk, re-investment risk, basis risk, credit risk, spread risk, prepayment risk etc.</p> <p>Please refer Scheme Information Document for details.</p>														
Risk Control	<p>RISK CONTROL:</p> <p>Risk and investment are two sides of the same coin of Fund Management. Effective risk management is crucial for achieving good performance. Adequate safeguards would be incorporated in the portfolio management process. The main instrument for reducing risk is through diversification. The Fund Manager's job is to identify securities which offer higher returns with a lower level of risk.</p> <p>The fund will endeavour to manage the various risks associated with investing in equity and equity related instruments. Risk is expected to be reduced through diversification of portfolio across various sectors and market capitalizations. The various types of risks identified and their risk management strategies are as follows:</p> <table border="1"> <thead> <tr> <th>Risk Type</th><th>Risk Management Strategy</th></tr> </thead> <tbody> <tr> <td>Quality Risk: Risk of investing in unsustainable / weak companies</td><td>Investment Universe to be created based on qualitative and quantitative factors so as to select good quality companies.</td></tr> <tr> <td>Price Risk: Risk of overpaying for a stock</td><td>A detailed research to be done on a company before investing, about business fundamentals and valuations.</td></tr> <tr> <td>Concentration Risk: Risk of Concentration</td><td>To invest across the market capitalization spectrum (though within the defined limits) and various industries.</td></tr> <tr> <td>Liquidity Risk: High Impact Costs</td><td>To control liquidity at the portfolio construction stage.</td></tr> <tr> <td>Volatility Risk: Price Volatility due to company or portfolio specific factors</td><td>To monitor overall portfolio volatility and control risk - stock / sector exposures as required.</td></tr> <tr> <td>Event Risk: Price risk due to company, sector specific or market event</td><td>Understand businesses, macro-economic and global events so as to respond to events effectively and speedily.</td></tr> </tbody> </table>	Risk Type	Risk Management Strategy	Quality Risk: Risk of investing in unsustainable / weak companies	Investment Universe to be created based on qualitative and quantitative factors so as to select good quality companies.	Price Risk: Risk of overpaying for a stock	A detailed research to be done on a company before investing, about business fundamentals and valuations.	Concentration Risk: Risk of Concentration	To invest across the market capitalization spectrum (though within the defined limits) and various industries.	Liquidity Risk: High Impact Costs	To control liquidity at the portfolio construction stage.	Volatility Risk: Price Volatility due to company or portfolio specific factors	To monitor overall portfolio volatility and control risk - stock / sector exposures as required.	Event Risk: Price risk due to company, sector specific or market event	Understand businesses, macro-economic and global events so as to respond to events effectively and speedily.
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Plans/Options	<p>The Scheme has the following Plans:</p> <ul style="list-style-type: none"> a) Regular Plan b) Direct Plan <p>Each of the Plans as above shall have two options:</p>														

1. Growth
2. Dividend

Dividend Option has the following two facilities:

- i. Dividend Reinvestment facility;
- ii. Dividend Payout facility;

Dividend Frequency: Normal, Monthly & Quarterly

If Dividend payable under Dividend Payout option is equal to or less than Rs. 100/- then the Dividend would be compulsorily reinvested in the option of the Scheme.

Investors should indicate the Plan/Option for which the subscription is made by indicating the choice in the appropriate box provided for the purpose in the application form.

The following criteria will be considered for uniform disclosure on treatment of applications under Direct/Regular plans:

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

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

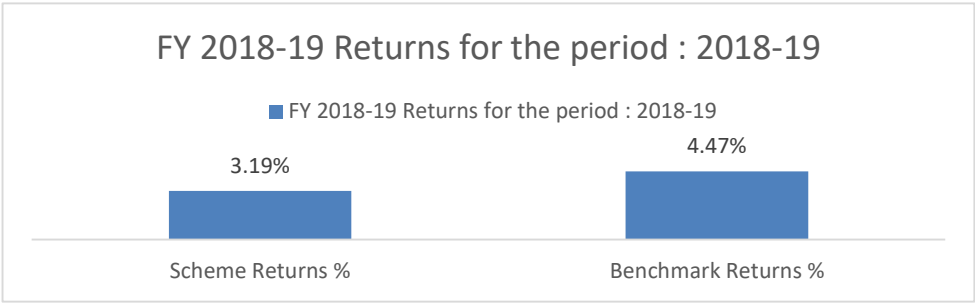
Further, in case of valid application received without indicating any choice of Option, the following Default Option will be considered for allotment:

1. Growth Option - where Growth or Dividend Option is not indicated;
2. Dividend Reinvestment - where Payout or Reinvestment is not indicated under Dividend Option.

The Plans and Options stated above will have a common portfolio.

<p>Applicable NAV (after the scheme opens for repurchase and sale)</p>	<p>A. Applications for amount less than Rs. 2 lakh</p> <p>For Purchases including switch-ins:</p> <ul style="list-style-type: none"> • In respect of valid applications received upto 3.00 p.m. on a Business Day along with a local cheque or a demand draft payable at par at the Official Point(s) of Acceptance where the application is received, the closing NAV of the day on which application is received shall be applicable. • In respect of valid applications received after 3.00 p.m. on a Business Day along with a local cheque or a demand draft payable at par at the Official Point(s) of Acceptance where the application is received, the closing NAV of the next Business Day shall be applicable. • In respect of valid applications, with outstation cheques / demand drafts not payable at par at the Official Point(s) of Acceptance where the application is received, closing NAV of the day on which the cheque / demand draft is credited shall be applicable. <p>B) Applications for amount equal to or greater than Rs. 2 lakh</p> <p>i) For Purchases:</p> <ul style="list-style-type: none"> • In respect of valid applications received for an amount equal to or more than Rs. 2 lakh upto 3.00 p.m. at the Official Point(s) of Acceptance and where the funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme before the cut-off time i.e. available for utilization before the cut-off time - the closing NAV of the day shall be applicable. • In respect of valid applications received for an amount equal to or more than Rs. 2 lakh after 3.00 p.m. at the Official Point(s) of Acceptance and where the funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable. • Irrespective of the time of receipt of applications for an amount equal to or more than Rs. 2 lakh at the Official Point(s) of Acceptance, where the funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. <p>ii) For Switch-ins:</p> <p>For determining the applicable NAV, the following shall be ensured:</p> <ul style="list-style-type: none"> • Application for switch-in is received before the applicable cut-off time. • Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the Scheme before the cut-off time. • The funds are available for utilization before the cut-off time. <p>Where application is received after the cut-off time on a day but the funds are cleared on the same day, the closing NAV of the next Business Day shall be applicable.</p> <p>iii) Redemptions including Switch - outs:</p>
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	<ul style="list-style-type: none">In respect of valid applications received up to 3.00 p.m. – same day’s closing NAV shall be applicable.In respect of valid applications received after 3.00 p.m. - the closing NAV of the next Business Day shall be applicable. <p>With respect to investors who transact through the stock exchange, a confirmation slip given by the stock exchange mechanism shall be considered for the purpose of determining Applicable NAV for the Scheme and cut off timing for the transactions.</p>		
Minimum Application Amount / Number of Units	Purchase (First purchase during NFO & continuous offer)	Additional Purchase (Subsequent purchase)	Repurchase
	Rs.1,000/- and in multiples of Re.1/- thereafter	Rs. 100 and in multiples of Re 1/- thereafter	Rs.1,000/- or 100 units or account balance whichever is lower in respect of each option.
Dispatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorized centre of Essel Mutual Fund.		
Benchmark Index	CRISIL Liquid Fund Index The benchmark and additional benchmark returns shall be calculated at the Total return Index (TRI) variant of the Index chosen.		
Dividend Policy	The Trustee will endeavour to declare the Dividend, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of Dividend and frequency will inter-alia depend on availability of distributable surplus calculated in accordance with SEBI (MF) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the unit holders as to the rate of Dividend nor that will the Dividend be paid regularly.		
Name of the Fund Managers	Mr. Dhaval Choksi (Equity portion) & Mr. Archit Shah (Debt portion)		
Name of the Trustee Company	Essel MF Trustee Limited		
Performance of the Scheme	Performance of the Scheme as on May 31, 2019 is given below:		
	Absolute Return	Scheme Returns (%)	Benchmark Returns (%)
	Returns since inception	4.48%	5.78%
	Expense structure for Direct & Regular Plan may vary. Past performance may or may not be sustained in future. Benchmark: CRISIL Liquid Fund Index Allotment date: 28th August 2018 Returns are absolute. The performance of the dividend plan for the investor would be net of dividend distribution tax, as applicable. The returns are calculated for Regular Plan- Growth Option.		

	<p><u>Absolute returns for last five financial years.</u></p> <div style="text-align: center;"> <p>FY 2018-19 Returns for the period : 2018-19</p>  <p>■ FY 2018-19 Returns for the period : 2018-19</p> <p>3.19% 4.47%</p> <p>Scheme Returns % Benchmark Returns %</p> </div>																																								
Additional Disclosure	<p>Scheme's Portfolio Holding (top 10 holdings by issuer and fund allocation towards various sectors)</p> <p>Portfolio holding as on May 31, 2019</p> <table border="1"> <thead> <tr> <th>Name of the Issuer</th><th>% of Net Asset</th></tr> </thead> <tbody> <tr> <td>ASIAN PAINTS LTD</td><td>9.39%</td></tr> <tr> <td>HOUSING DEVELOPMENT FINANCE CORPORATION LTD</td><td>9.11%</td></tr> <tr> <td>BHARAT FINANCIAL INCLUSION LTD</td><td>8.35%</td></tr> <tr> <td>TV18 BROADCAST LTD</td><td>7.06%</td></tr> <tr> <td>UPL LTD</td><td>6.67%</td></tr> <tr> <td>LARSEN & TOUBRO LTD</td><td>6.50%</td></tr> <tr> <td>STATE BANK OF INDIA</td><td>5.88%</td></tr> <tr> <td>MAHINDRA & MAHINDRA FIN SER LTD</td><td>5.86%</td></tr> <tr> <td>HINDUSTAN UNILEVER LTD</td><td>4.48%</td></tr> <tr> <td>RELIANCE INDUSTRIES LTD</td><td>3.70%</td></tr> </tbody> </table> <p>Fund allocation towards various sectors as on May 31, 2019</p> <table border="1"> <thead> <tr> <th>Name of the Sector</th><th>% of Net Assets</th></tr> </thead> <tbody> <tr> <td>CONSUMER NON DURABLES</td><td>0.03%</td></tr> <tr> <td>PETROLEUM PRODUCTS</td><td>0.00%</td></tr> <tr> <td>PHARMACEUTICALS</td><td>-0.01%</td></tr> <tr> <td>CONSTRUCTION PROJECT</td><td>-0.01%</td></tr> <tr> <td>PESTICIDES</td><td>-0.02%</td></tr> <tr> <td>BANKS</td><td>-0.02%</td></tr> <tr> <td>MEDIA & ENTERTAINMENT</td><td>-0.04%</td></tr> <tr> <td>FINANCE</td><td>-0.08%</td></tr> </tbody> </table> <p>Latest monthly portfolio holding can be obtained on website of Essel Mutual Fund on the following web link: https://mutualfund.esselfinance.com/approach_investment.php</p> <p>Scheme's Portfolio Turnover Ratio: 2.28 times as on May 31, 2019</p>	Name of the Issuer	% of Net Asset	ASIAN PAINTS LTD	9.39%	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	9.11%	BHARAT FINANCIAL INCLUSION LTD	8.35%	TV18 BROADCAST LTD	7.06%	UPL LTD	6.67%	LARSEN & TOUBRO LTD	6.50%	STATE BANK OF INDIA	5.88%	MAHINDRA & MAHINDRA FIN SER LTD	5.86%	HINDUSTAN UNILEVER LTD	4.48%	RELIANCE INDUSTRIES LTD	3.70%	Name of the Sector	% of Net Assets	CONSUMER NON DURABLES	0.03%	PETROLEUM PRODUCTS	0.00%	PHARMACEUTICALS	-0.01%	CONSTRUCTION PROJECT	-0.01%	PESTICIDES	-0.02%	BANKS	-0.02%	MEDIA & ENTERTAINMENT	-0.04%	FINANCE	-0.08%
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Expenses of the Scheme	<u>Load Structure:</u>
i. Load Structure & Transaction Charges	<p data-bbox="561 260 821 289">For Continuous Offer:</p> <p data-bbox="561 327 748 357">Entry load: NA.</p> <p data-bbox="561 394 675 424">Exit load:</p> <p data-bbox="561 462 1583 525">If the Units are redeemed / switched out on or before 1 month from the date of allotment – 0.25%</p> <p data-bbox="561 527 1583 556">: If the Units are redeemed / switched out after 1 month from the date of allotment – Nil</p> <p data-bbox="561 594 1377 623">Redemption of units would be done on First in First out Basis (FIFO).</p> <p data-bbox="561 661 1583 724">SEBI vide its circular no SEBI/IMD/CIR No.4/168230/09 June 30, 2009 has decided that there shall be no entry Load for all Mutual Fund Schemes.</p> <p data-bbox="561 762 1583 825">The Trustee/AMC reserves the right to change/modify the Exit Load structure from a prospective date.</p> <p data-bbox="561 863 829 892"><u>Transaction Charges:</u></p> <p data-bbox="561 930 1583 1060">Pursuant to SEBI circular vide no. Cir / IMD/ DF / 13 / 2011 dated 22 August 2011, a transaction charge per subscription of Rs.10,000/- and above will be charged from the investors and paid to distributors/ agents (who have opted to receive the transaction charges) w.e.f. 1 November 2011, as follows:</p> <ol data-bbox="573 1098 1583 1627" style="list-style-type: none"> <li data-bbox="573 1098 1583 1161">1. Rs. 100/- per subscription of Rs.10,000/- and above for existing investors in Mutual Funds. <li data-bbox="573 1163 1583 1226">2. Rs.150/- per subscription of Rs.10,000/- and above for a first time investor in Mutual Funds. <li data-bbox="573 1228 1583 1291">3. The transaction charge, if any, shall be deducted by the AMC from the subscription amount and paid to the distributor and the balance shall be invested. <li data-bbox="573 1293 1453 1323">4. There shall be no transaction charge on subscription below Rs.10,000/-. <li data-bbox="573 1325 1583 1388">5. Transaction charges shall be applicable on purchases/ subscriptions relating to new inflows. <li data-bbox="573 1390 1583 1495">6. In case of SIPs, the transaction charge shall be applicable only if the total commitment through SIPs amounts to Rs.10,000/- and above and shall be recovered in a maximum of 4 installments. <li data-bbox="573 1497 1312 1526">7. There shall be no transaction charges on direct investments. <li data-bbox="573 1528 1583 1627">8. The Account Statement shall state that the net investment as gross subscription less transaction charges, if any and specify the no. of units allotted against the net investment <p data-bbox="561 1665 1583 1837">The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder. The distributors shall have also the option to either opt in or opt out of levying transaction charge based on type of the product.</p>

ii. Recurring Expenses (% of the Average Daily Net Assets)	First Rs. 500 Crores	Next Rs. 250 Crores	Next Rs. 1250 Crores	Next Rs. 3,000 Crores	Next Rs. 5,000 Crores	Next Rs. 40,000 Crores	On Balance
	2.25%	2.00%	1.75%	1.60%	1.50%	TER reduction of 0.05% for every increase of Rs.5,000 crores	1.05%
<p>Direct Plan shall have a lower expense ratio. Commission/ Distribution expenses will not be charged in case of Direct Plan. At least 5% of the TER will be charged towards distribution expenses/commission in the Regular Plan. The TER of the Direct Plan under the Scheme will be lower to the extent of the above mentioned distribution expenses/commission (at least 5% of TER) which is charged in the Regular Plan. For example, in the event that the TER of the Regular Plan is 1% p.a., the TER of the Direct Plan would not exceed 0.95% p.a.</p> <p>In addition to the recurring expenses specified for the scheme, the following expenses/Goods & Service Tax (GST) may be charged to the scheme:</p> <ol style="list-style-type: none"> 1) Expenses not exceeding 0.20 percent of daily net assets of the scheme towards investment Management and Advisory fees and the various sub-heads of recurring expenses mentioned under Regulation 52(2) and (4) of the SEBI (MF) Regulations respectively. 2) Expenses in respect of inflows from beyond top 15 cities-a maximum charge of 0.30% on the daily net assets computed as per the guidelines issued by SEBI/AMFI for meeting distribution expenses incurred for bringing inflows from such cities. 3) Brokerage and transaction costs not exceeding 0.12% of the value of the trades in the case of cash market transactions and 0.05% of the value of trades in case of derivatives transactions; and 4) Goods & Service Tax (GST) on Investment Management and Advisory fees. <p>Actual expenses as on May 31, 2019 (% Weightage) (Excluding GST)</p> <p>Regular Plan – 1% Direct Plan – 0.34%</p> <p>For further details please refer to the SID.</p>							
Waiver of Load for Direct Applications	Not Applicable						
Tax Treatment for the Investors (Unitholders)	Investors are advised to refer to the paragraph on Taxation in the 'Statement of Additional Information' and to consult their own tax advisors with respect to the specific amount of tax and other implications arising out of their participation in the scheme.						
Daily Net Asset Value (NAV) Publication	The NAV will be declared for all business days and will be published in 2 newspapers, NAV can also be viewed on www.esselfinance.com and www.amfiindia.com . You can also call us at Non Toll Free: 022-61779922. Toll Free						

	:1800 103 8999	
For Investor Grievances Please Contact	Name and Address of Registrar Karvy Fintech Private Limited, (Unit: Essel Mutual Fund), KARVY SELENIUM, Plot number 31 & 32, Tower B, Survey No. 115/22, 115/24 & 115/25, Financial District, Gachibowli, Nanakramguda, Serlingampally Mandal, Hyderabad – 500 032, Telangana Tel: 91 40 33215121 / 5122 / 5123 Webs: https://www.karvymfs.com .	Customer Service Cell of AMC: Ms. Roshni Chorge Investor Relations Officer, 6th Floor, Jet Prime, Suren Road Nr. Guru Nanak Petrol Pump/ Cinemax, Andheri East, Mumbai - 400 093, Toll Free: 1800 103 8999 Non Toll Free. 022 7133 5144, Email: mutualfund@esselfinance.com
Unitholders' Information	<p>Account Statements: For normal transactions during ongoing sale and repurchase:</p> <ul style="list-style-type: none"> • The AMC shall send an allotment confirmation specifying the units allotted by way of email and / or SMS within 5 Business Days of receipt of valid application / transaction to the Unit holders registered e-mail address and /or mobile number. • A consolidated account statement for each calendar month to the Unit holder(s) in whose folio(s) transaction(s) has/ has taken place during the month on or before 10th of the succeeding month shall be sent by mail or e-mail. • In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement. • The transactions viz. purchase, redemption, switch, dividend payout, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN). • The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. • For folios not included in the CAS (due to non-availability of PAN), the AMC shall issue monthly account statement to such Unit holder(s), for any financial transaction undertaken during the month on or before 10th of succeeding month by mail or email. • In case of a specific request received from the Unit holders, the AMC will provide an account statement (reflecting transactions of the Fund) to the investors within 5 Business Days from the receipt of such request, by mail/email. • The Unit holder without any charges may request for a physical account statement by writing to/calling the AMC/ISC/RTA. The Mutual AMC shall dispatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder. <p>Allotment Advice (for demat holders) / Consolidated Account Statement (CAS)</p> <p>An allotment advice will be sent upon allotment of Units stating the number of Units allotted to each of the Unit holder(s) who have opted for allotment in dematerialized mode within 5 business days from the date of closure of NFO Period.</p> <p>The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form.</p> <p>A Consolidated Account Statement (CAS) shall also be sent to the Unit holder(s) in whose folio transactions have taken place during that month, on or before 10th of the</p>	

	<p>succeeding month.</p> <p>Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 5 business days of the receipt of request for the certificate. Unit certificate if issued must be duly discharged by the Unit holder(s) and surrendered along with the request for Redemption / Switch or any other transaction of Units covered therein.</p> <p>Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time to time. All units will rank pari passu with the units within the same option in the Scheme concerned as to assets, earnings and the receipt of dividend distributions, if any, as may be declared by the Trustee.</p> <p><u>CAS for investors having Demat account:</u></p> <ul style="list-style-type: none"> • Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository. • Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. For PANs which are common between depository and the AMC, the depository shall send the CAS. In other cases (i.e. PANs with no demat account and only MF units holding), the AMC/RTA shall continue to send the CAS to its unit holders as is being done presently in compliance with the Regulation 36(4) of the SEBI (Mutual Funds) Regulations. • The CAS shall be generated on a monthly basis. • If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within ten days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis. • 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. However, option shall be given to the demat account holder by the default depository to choose the depository through which the investor wishes to receive the CAS. • Where statements are presently being dispatched by email either by the Mutual Funds or by the Depositories, CAS shall be sent through email. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered in the Depository system. • If an investor does not wish to receive CAS, an option shall be given to the investor to indicate negative consent. <p>The dispatch of CAS by the depository would constitute compliance by the AMC/ the Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations. The AMC reserves the right to furnish the account statement in addition to the CAS, if deemed fit in the interest of investor(s).</p> <p>Annual Account Statement</p>
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The Mutual Fund shall provide the Account Statement to the Unit holders who have not transacted during the last six months prior to the date of generation of account statements. The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.

Annual Report

Scheme-wise Annual Report or an abridged summary thereof shall be mailed to all Unit Holders within four months from the date of closure of the relevant accounting year i.e. 31st March each year.

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the scheme wise annual report or an abridged summary thereof hereinafter shall be sent by AMC/Mutual Fund as under:

- (i) by e-mail only to the Unit holders whose e-mail address is available with the Fund,
- (ii) in physical form to the Unit holders whose email address is not available with the Fund and/or to those Unit holders who have opted / requested for the same.

The physical copy of the scheme wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Fund.

Half yearly disclosures

The Mutual Fund shall publish a complete statement of the Scheme portfolio within one month from the close of each half year (i.e. 31st March and 30th September) by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the Mutual Fund is located. The Portfolio Statement will also be displayed on the website of the AMC and AMFI.

In terms of Regulations 59 and SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall host the half-yearly financial statements of schemes of the Fund on its website and publish a notice in the newspapers regarding the availability of the same. In terms of Regulations 59 and SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on their website. The half-yearly unaudited report shall contain details as specified in Twelfth Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of the mutual fund.

Further, the AMC shall publish an advertisement disclosing the hosting of such financial results on its website www.esselfinance.com in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated.

	<p>Monthly Portfolio disclosure</p> <p>The Fund/AMC will disclose the Portfolio (along with ISIN) of all the Schemes on the last day of the month on its website www.esselfinance.com on or before the tenth day of the succeeding month in the prescribed format.</p> <p>The Annual Report, portfolio statement and the unaudited financial results will also be displayed on the website of the Mutual Fund www.esselfinance.com and Association of Mutual Funds in India www.amfiindia.com</p>
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