

Terms of Issue

Listing

Being an open ended Scheme under which Sale and Redemption of Units will be made on a continuous basis by the Mutual Fund (subject to completion of lock in period, if any), the Units of the Scheme are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units under the Scheme on one or more stock exchanges at a later date.

Redemption and Repurchase: The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.

A Transaction Slip can be used by the Unit Holder to request for Redemption. The requisite details should be entered in the Transaction Slip and submitted at an ISC/Official Point of Acceptance. Transaction Slips can be obtained from any of the ISCs/Official Points of Acceptance. The redemption/ switch would be permitted to the extent of credit balance in the unit-holder's account.

The redemption/ switch request can be made by specifying either the number of units or the amount (in rupees) to be redeemed. In case the investor specifies the number of units and amount to be redeemed, the number of units shall be considered for redemption. In case the unit-holder does not specify the number of units or amount to be redeemed, the redemption request will not be processed.

Minimum amount for purchase/ redemption/ switches:

Minimum amount for subscription/purchase (including switch -ins):

Rs.5000 and in multiples of Re.1 thereafter.

Minimum amount for additional purchase:

Rs. 1000 and in multiples of Re. 1 thereafter.

Minimum Amount for Redemption / Switch-outs:

Rs. 1000/- or 1 units or account balance, whichever is lower in respect of each Option. In case the Investor specifies both the number of units and amount, the number of Units shall be considered for Redemption. In case the unitholder does not specify the number or amount, the request will not be processed.

Where Units under a Scheme are held under both 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 Regular Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.

The AMC reserves the right to change the minimum amounts for various purchase/ redemption/ switches. Such changes shall only be applicable to transactions on a prospective basis.

Minimum balance to be maintained and consequences of non-maintenance.

The scheme does not require maintenance of minimum balance in the units of the scheme.

In case the balance in the account of the unitholder does not cover the amount of redemption request, then the Mutual Fund is authorized to redeem all the units in the folio and send the redemption proceeds to the unitholder.

Suspension of Sale/Redemption/Switching Options of the Units

“Right to Restrict Redemption And / Or Suspend Redemption of the Units:

The Fund 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 upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switchout) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs).

Further, no restriction shall be applicable to the Redemption / switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request above Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs).

The Trustee / AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme(s) of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the

Fund may be imposed are as follows:

1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or
2. Market failures / Exchange closures; or
3. Operational issues; or
4. If so directed by SEBI.

It is clarified that since the occurrence of the above mentioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines (i.e. within 3-4 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 requests for Redemption may not be applicable.

Any restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the Mutual Fund shall be made applicable only after specific approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI.”

The AMC / Trustee reserves the right to change / modify the provisions of right to restrict Redemption and / or suspend Redemption of the Units in the Scheme(s) of the Fund.

The AMC reserves the right to, in consultation with the Trustee, suspend the purchase and/ or redemption of units temporarily or indefinitely, in case of unforeseen extraordinary circumstances. Redemption proceeds will be paid to the investor through Real Time Gross Settlement (RTGS), NEFT, Direct Credit, a/c payee cheque or demand draft or such other mode as may be permitted.

Redemption by investors transacting through the Stock Exchange mechanism

Investors who wish to transact through the stock exchange shall place orders for redemptions as currently practiced for secondary market activities. Investors must submit the Delivery Instruction Slip to their Depository Participant on the same day of submission of redemption request, within such stipulated time as may be specified by NSE/BSE, failing which the transaction will be rejected. Investors shall seek redemption requests in terms of number of Units only and not in Rupee amounts. Redemption amounts shall be paid by the AMC to the bank mandate registered with the Depository Participant.

Redemption under dematerialized mode:

As an alternative, redemption request can be placed through Depository Participants & Exchanges specified intermediaries where NSE NMF II/ BSE STAR platform is available for trading of Mutual Fund Units. The redemption requests submitted to the AMC / Registrar directly are liable to be rejected.

If the investor wishes to redeem the units hold in demat mode with the AMC in such case the investor is required to convert such units in the physical mode by submitting request for Rematerialisation to the Depository Participants and after conversion of such units into the physical mode to the AMC for redemption of such units.

The Trustee may mandatory redeem units of any unitholders in the event that it is found that the unitholders has submitted information either in the application or otherwise that is false, misleading or incomplete or units are held by a unitholder in breach of the regulation.

Units can be redeemed (sold back to the Mutual Fund) at the Redemption Price during the Ongoing Offer Period

Payment of redemption proceeds-**Resident Investors:**

In case of Unit holders having a bank account with certain banks with which the Mutual Fund would have an arrangement from time to time, the redemption proceeds shall be electronically credited to their account. In case of specific requests, redemption proceeds will be paid by way of payment channels like RTGS, NEFT, IMPS, Direct Credit, etc. or any other mode allowed by Reserve Bank of India in addition to cheques/demand drafts in favour of the unitholder (registered holder of the Unit or, if there are more than one registered holder, only to the first registered holder) through "Account Payee" cheque / demand draft with bank account number furnished to the Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI, even in cases where investments are made in cash). Redemption cheques will be sent to the Unit holder's address (or, if there is more than one holder on record, the address of the first-named Unit holder).

Redemption by NRIs: For NRIs, redemption proceeds will be remitted depending upon the source of investment as follows:

Where the payment for the purchase of the units redeemed was made out of funds held in NRO account, the redemption proceeds will be credited to the NRI investor's NRO account

Where the units were purchased on repatriation basis and the payment for the purchase of the units redeemed was made by inward remittance through normal banking channels or out of funds held in NRE / FCNR account, the redemption proceeds will be credited to his NRE / FCNR / NRO account

Note: i. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs / FIIs.

ii. Payment to NRI / FII Unit holders will be subject to the relevant laws / guidelines of the RBI as are applicable from time to time (also subject to deduction of tax at source as applicable).

iii. The Fund may make other arrangements for effecting payment of redemption proceeds in future.

iv. The cost related to repatriation, if any will be borne by the Investor.

Effect of Redemptions: The balances in the unit-holder's account will stand reduced by the number of units redeemed. Units once redeemed will be extinguished and will not be reissued.

Units can be redeemed (sold back to the Mutual Fund) at the Redemption Price during the Ongoing Offer Period

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.

Unclaimed Redemptions and Dividends:

As per the SEBI circular no. MFD / CIR / 9 / 120 / 2000, dated November 24, 2000, the unclaimed redemption and dividend amounts shall be deployed by the Fund in call money market or money market instruments only. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. Investors claiming these amounts during a period of three years from the due date shall be paid at the prevailing NAV. After a period of three years, this amount shall 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. Income earned on such funds shall be used for the purpose of investor education. The AMC shall 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.

Further, according to circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016 the unclaimed Redemption and dividend amounts may be deployed in separate plan of Liquid scheme/Money market mutual fund scheme floated by Mutual Funds specifically for deployment of the unclaimed Redemption and dividend amounts.

The AMC reserves the right to provide the facility of redeeming Units of the Scheme through an alternative mechanism including but not limited to online transactions on the Internet through the AMC website or any other website, etc., as may be decided by the AMC from time to time. The alternative mechanisms would be applicable to only those investors who opt for the same in writing and/or subject to investor fulfilling such conditions as the AMC may specify from time to time.

Unit-holders should note that while remitting your redemption proceeds, tax will be deducted at source in accordance with applicable tax laws.

Bank Details:

In order to protect the interest of Unit holders from fraudulent encashment of redemption / dividend cheques, SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques / warrants and / or any delay / loss in transit. Also, please refer to point on Registration of Multiple Bank Accounts in respect of an Investor Folio given in this document.

Delay in payment of redemption / repurchase proceeds/ dividend

Under normal circumstances, the redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase. The AMC shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum). However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / unitholders, verification of identity or such other details relating to subscription for units under any applicable law or as may be requested by a regulatory body or any government authority, which may result in delay in processing the application. The interest for the delayed payment of dividend shall be calculated from the record date.

FEES AND EXPENSES

B. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that following % of the daily net assets of the Scheme will be charged to the Scheme as expenses. Please refer to the table below for details. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund viz. <https://amc.ppfas.com/statutory-disclosures/total-expense-ratio-TER/>

C. SCHEME EXPENSE STRUCTURE:

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.00%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	

Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
GST on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i)	Upto 2.00%
Additional expenses under regulation 52 (6A) (c)^	Upto 0.05%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

^ In terms of SEBI Circular No SEBI/HO/IMD/DF2/CIR/P/2018/15 dated February 02, 2018, in case exit load is not levied / not applicable, the AMC shall not charge the said additional expenses

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the Asset Management Companies (AMC), its associate, sponsor, trustee or any other entity through any route. However, expenses that are very small in value but high in volume may be paid out of AMC's books at actuals or not exceeding 2 bps of respective Scheme AUM, whichever is lower. A list of such miscellaneous expenses will be as provided by AMFI in consultation with SEBI.

Notes: Expense structure for Direct Plan will be lower than the regular plan to the extent of Commission.

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.

These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se or in total subject to prevailing Regulations. The AMC may incur actual expenses which may be more or less than those estimated above under any head and/or in total. Type of expenses charged shall be as per the SEBI Regulations.

The trusteeship fees shall be subject to a maximum of 0.01% per annum of the daily Net Assets of the Schemes or a sum of Rs. 25,00,000/- per annum. Such fee shall be accrued on a monthly basis and paid to the Trustee Company at yearly frequency. The Trustee Company may charge further expenses as permitted from time to time under the Trust Deed and SEBI (MF) Regulations.

As per Para B of the SEBI Circular No. CIR/IMD/DF/21/ 2012 dated September 13, 2012, GST shall be charged as follows:

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

The AMC shall charge the Mutual Fund with investment and advisory fee as prescribed in the SEBI (MF) Regulations from time to time. Presently, the SEBI (MF) Regulations permit fees as follows:

The recurring expenses of the Scheme shall be as per the limits prescribed under the SEBI (MF) Regulations. These are as follows:

Total Recurring Expense as a % of Daily Average Net Assets**

- on the first Rs.500 crores of the daily net assets 2.00%;
- on the next Rs.250 crores of the daily net assets 1.75%;
- on the next Rs.1,250 crores of the daily net assets 1.50%;
- on the next Rs.3,000 crores of the daily net assets 1.35%
- on the next Rs.5,000 crores of the daily net assets 1.25%
- on the next Rs.40,000 crores of the daily net assets - Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof
- on the balance of the assets 0.80%:

** Minimum of 0.02% shall be allocated annually to investor education and awareness initiatives

It is possible that the AMC may charge the maximum recurring expenses provided above as investment management and advisory fees. In such case the other recurring expenses will not be charged to the Scheme.

In terms of SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of recurring expenses as per Regulation 52 for investor education and awareness initiatives.

In addition to the limits specified above as permitted under Regulation 52 (6A) of the SEBI Regulations, the following costs or expenses may be charged to the Scheme:

1. brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions;

In accordance with SEBI circular no. CIR/IMD/DF/24/ 2012 dated November 19, 2012, any payment towards brokerage and transaction cost, over and above the said 0.12% and 0.05% for cash market transactions and derivatives transactions respectively, may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 (6) of the SEBI (MF) Regulations, 1996.

2. expenses not exceeding of 0.30% of daily net assets, if the new inflows from beyond the top 30 cities are at least:

(i) 30 % of gross new inflows in the Scheme or;

(ii) 15 % of the average assets under management (year to date) of the Scheme,

whichever is higher:

As per SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018, additional expenses of 30 basis points, shall be charged based on inflows only from retail investors from beyond top 30 cities.

As per SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019, inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor".

In case inflows from such cities are less than the higher of (a) or (b) above, such expenses on daily net assets of the Scheme shall be charged on proportionate basis in accordance with SEBI Circular no. CIR/IMD/ DF/21/2012 dated September 13, 2012 read with SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/16 dated February 2, 2018.

The amount so charged shall be utilised for distribution expenses incurred for bringing inflows from such cities. However, the amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

Currently, SEBI has specified that the above additional expense may be charged for inflows from beyond 'Top 30 cities'. Top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography - Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

3. Expenses not exceeding 0.05% p.a. of daily net assets towards Investment Management and Advisory Fees and the various sub-heads of recurring expenses mentioned under Regulation 52 (2) and (4) respectively of SEBI (MF) Regulations. However, in terms of SEBI Circular No SEBI/ HO/ IMD/ DF2/ CIR/P/ 2018/15 dated February 02, 2018, in case exit load is not levied / not applicable, the AMC shall not charge the said additional expenses.

The total expenses of the Scheme including the Investment Management and Advisory Fee shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations.

The total expense ratios of the schemes of the Fund are available in downloadable spreadsheet format on the AMC website and AMFI website. Any change in the current expense ratios will be updated at least three working days prior to the effective date of the change. For the total expense ratio details of the Scheme, investors may visit <https://amc.ppfas.com/statutory-disclosures/total-expense-ratio-TER/>

available on the website of the AMC viz., www.amc.ppfas.com and AMFI's website viz., www.amfiindia.com.

Further, any change in the base TER (i.e. TER excluding additional expenses provided in Regulation 52 (6A) (b) and 52 (6A) (c) of SEBI (Mutual Funds) Regulations, 1996) and Goods & Service Tax on investment and advisory fees in comparison to previous base TER charged to the Scheme/Plan shall be communicated to investors of the Scheme/Plan through notice via email or SMS and the notice of change in base TER will be uploaded on the website (<https://amc.ppfas.com/statutory-disclosures/total-expense-ratio-TER/>) at least three working days prior to effecting such change.

Illustration: Impact of Expense Ratio on Scheme's return:

Expense ratio, normally expressed as a percentage of Average Assets under Management, is calculated by dividing the permissible expenses under the Regulations by the average net assets.

To further illustrate the above, for the Scheme under reference, suppose an Investor invested ₹ 10,000/- under the Growth Option, the impact of expenses charged will be as under:

	Regular Plan			Direct Plan		
	Amount (₹)	Units	NAV (₹)	Amount (₹)	Units	NAV (₹)
Invested on March 31, 2019 (A)	10,000.00	1000	10.0000	10,000.00	1000	10.0000
Value of above investment as on March 31, 2020 (post all applicable expenses) (B)	10,648.53	1000	10.6485	10,698.52	1000	10.6985
Expenses charged during the year (other than Distribution Expenses/Commission) (C)	50.00			50.00		
Distribution Expenses/Commission charged during the year (D)	50.00			0.00		
Value of above investment as on March 31, 2018 (after adding back all expenses charged) (E)						
[E= B+C+D]	10,748.53	1000	10.7485	10,748.52	1000	10.7485

Returns (%) (post all applicable expenses) (F) [$F = (B-A)/A$]	6.49%	6.99%
Returns (%) (without considering any expenses) (G) [$G = (E-A)/A$]	7.49%	7.49%