



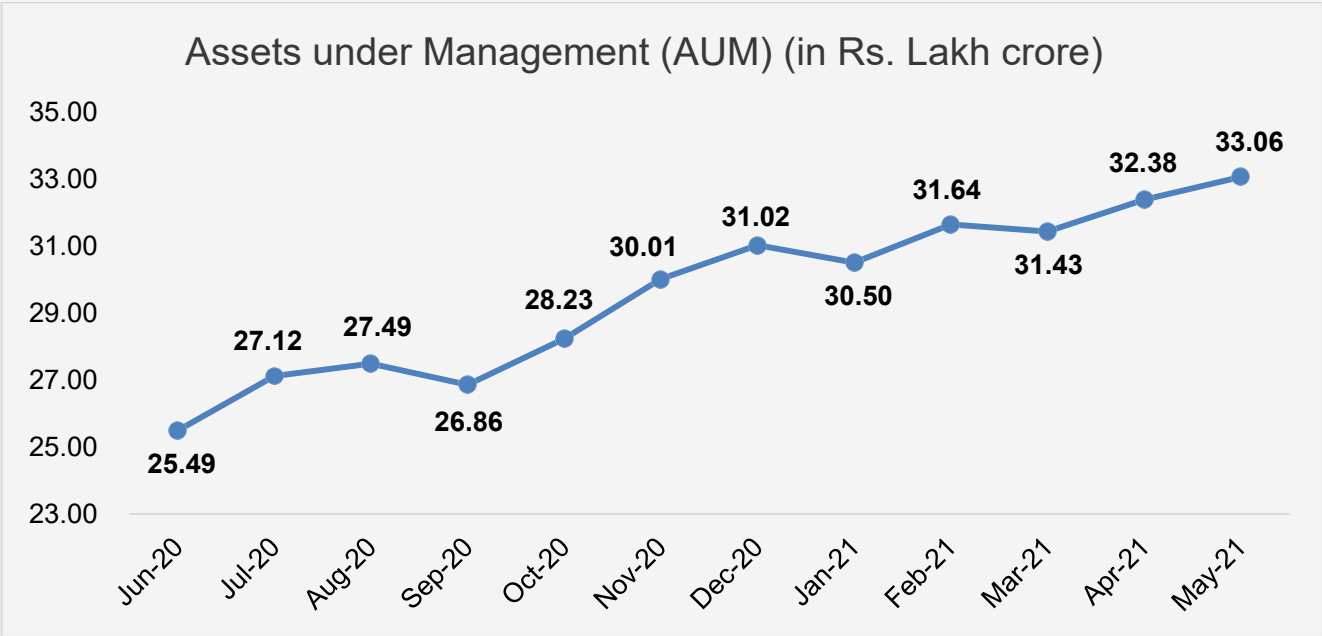
FOUNDATION

OF INDEPENDENT FINANCIAL ADVISORS

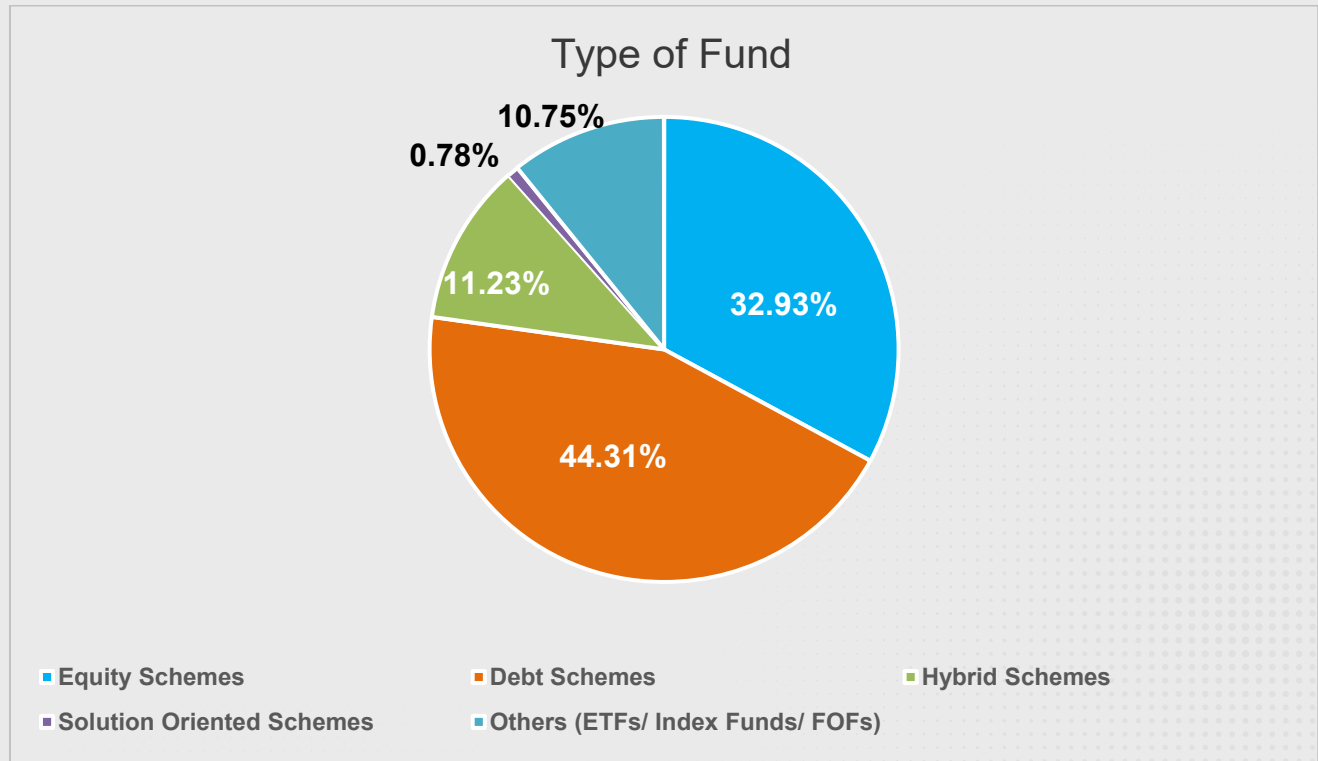
MAY 2021

What's New?

AUM Movement over the last 12 months



AUM Composition as at 31st May 2021



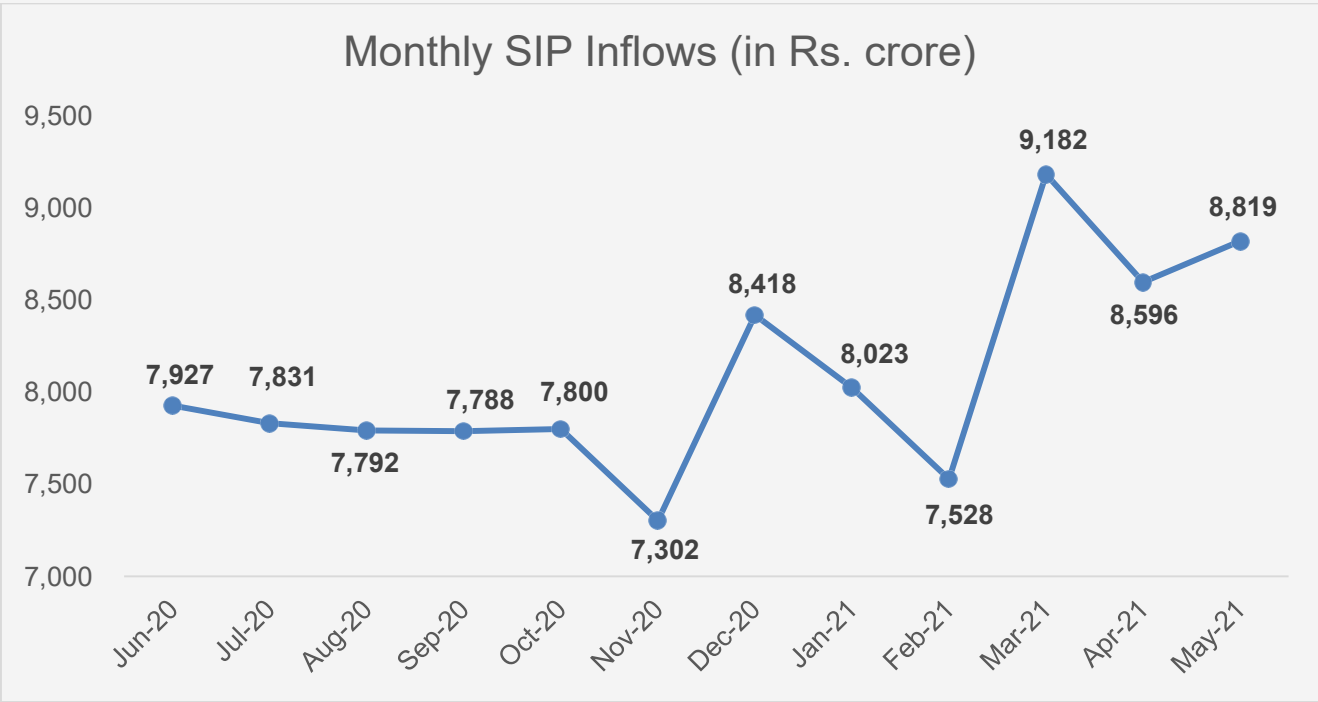
How has the AUM changed over the last month?

Particulars	AUM as at 30-Apr-21	Net Inflows/ (Outflows)	Increase/ (Decrease) due to market movements	AUM as at 31-May-21
Equity Schemes	10,11,685	9,235	67,682	10,88,602
Debt Schemes	15,22,265	(63,454)	5,938	14,64,749
Hybrid Schemes	3,51,831	6,217	13,057	3,71,105
Solution Oriented Schemes	24,589	68	1,209	25,866
ETF/ FOF/ Others	3,27,615	9,332	18,390	3,55,337
Total	32,37,985	(38,602)	1,06,276	33,05,659

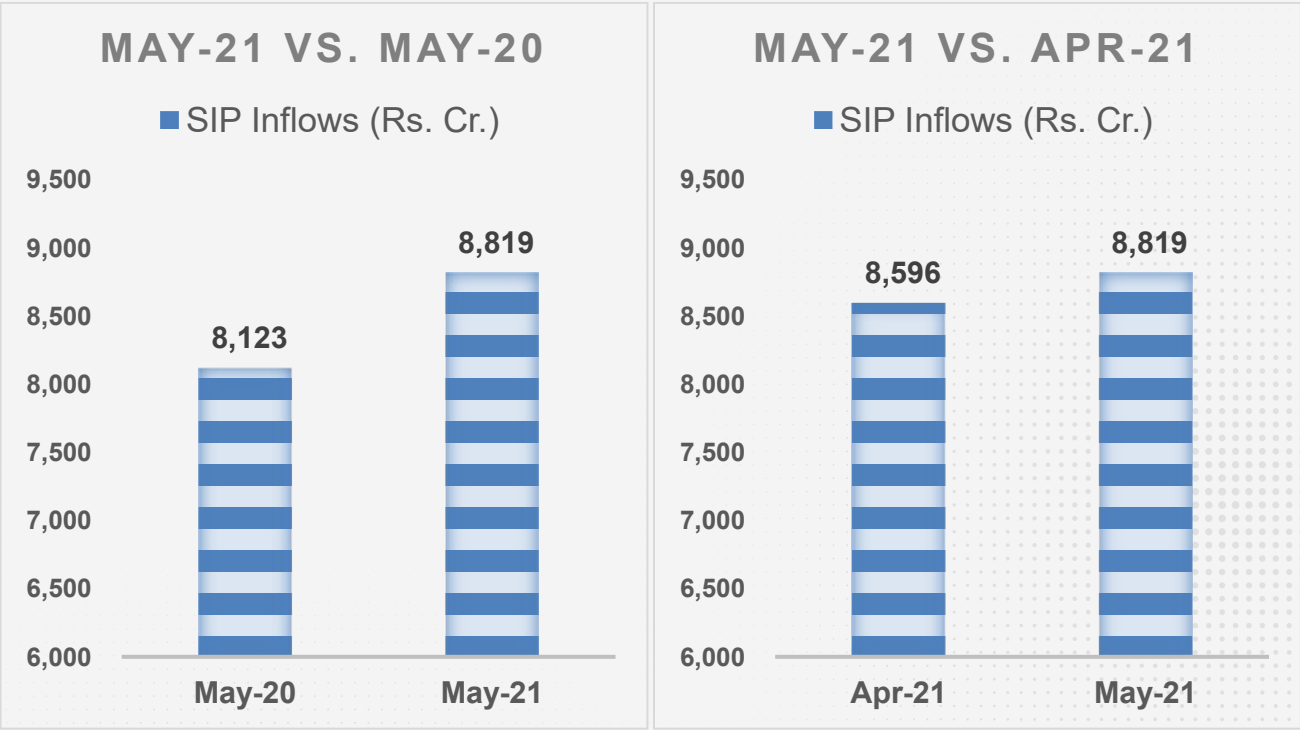
Source – Association of Mutual Funds in India (AMFI)

What's New?

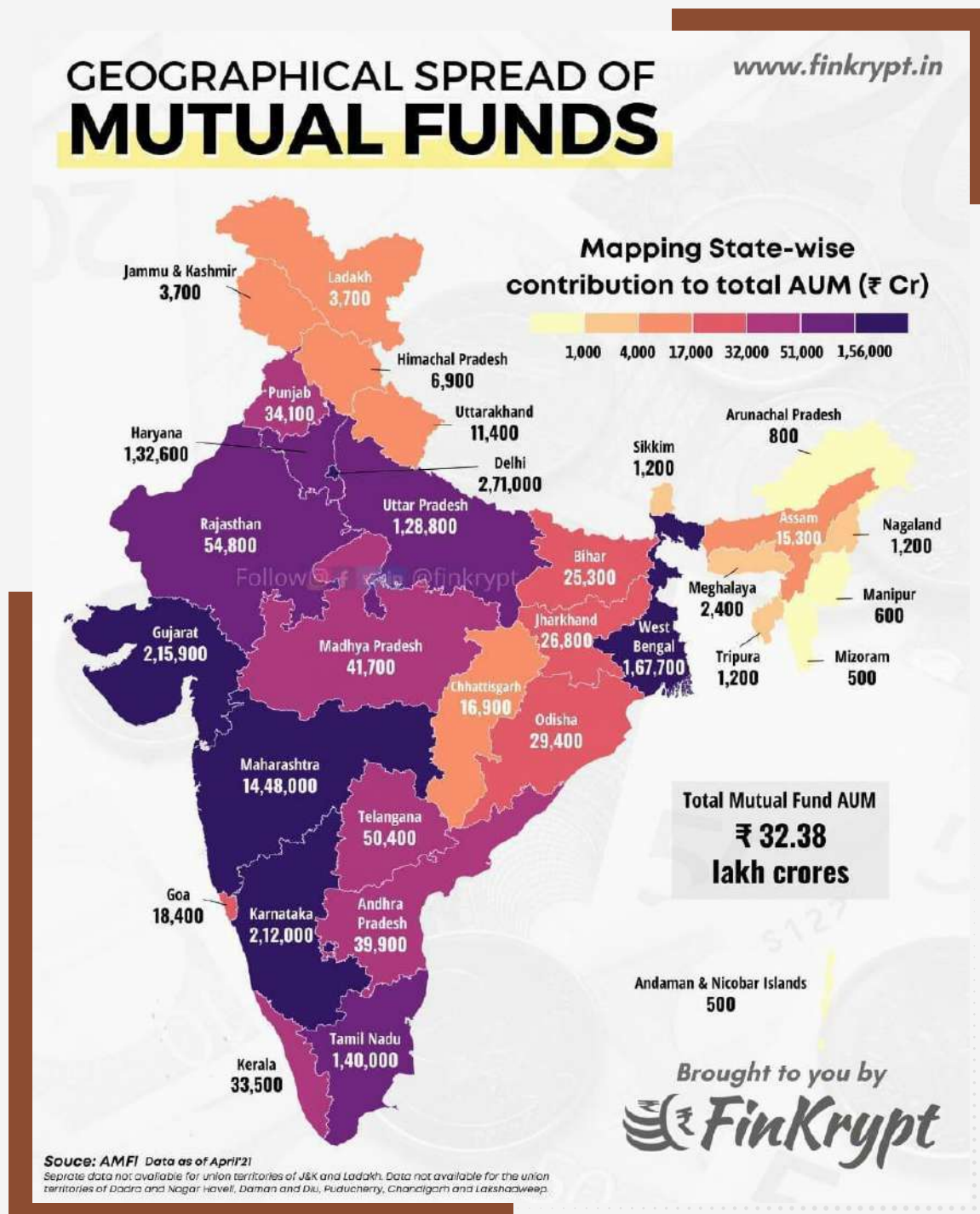
SIP Trends



AUM Composition as at 31st May 2021



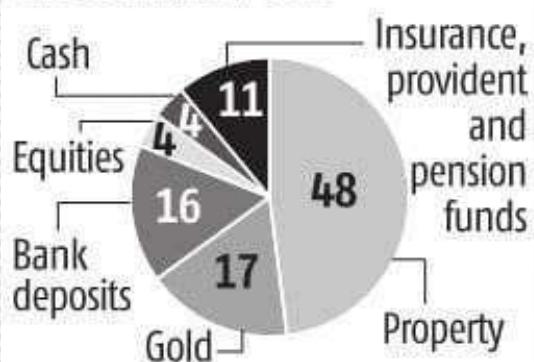
What's New?



NEW INVESTORS WELCOME

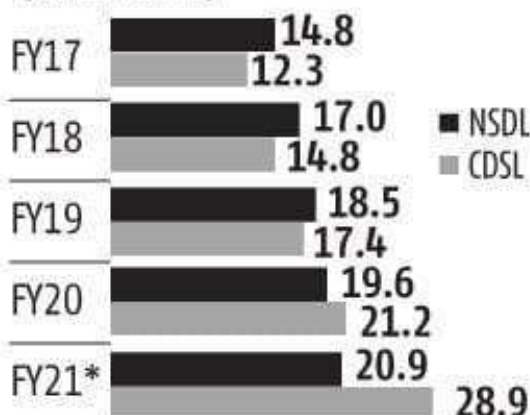
Stocks formed small part of Indian household wealth, but a record number of demat accounts were opened last year

Indian household assets as of December 2020



Sources: Reserve Bank of India, Jefferies estimates, Central Depository Services Ltd, National Securities Depository Ltd

Investors demat accounts (in million)



*Dec 2020; Compiled by BS Research Bureau
Source: CDSL result presentation

FIFA Welcomes New Members

Member Category	Member No.	Type	Organisation	Member Name	Location
General	02337	N. Indv	Value Wealth	Rajesh Karhade Nitin Patil	Thane Thane
General	02338	N. Indv	Arthchakra Capital Pvt. Ltd.	Shyam Lal Sutrave Gitanjali Sutrave	Hyderabad Hyderabad

On 14th May, 2021, FIFA had conducted zoom session.

Topic : “Others Money – Behaviours To Build Trust”

Speaker : Ms. Uma Shashikant

This session was attended by more than 156 IFA’s.
Recording of the webinar has been uploaded on the FIFA Website.

Please find the link / path of the recording.
<https://www.fifaindia.org/uploads/audios/member/Uma-Shashikant-session-on-14th-May-2021-OTHERS-MONEY-BEHAVIOURS-TO-BUILD-TRUST.mp3>

On 28th May, 2021, FIFA had conducted zoom session.

Topic : “How MFDs / Advisors Can Enhance Their Profile”

Speaker : Ms. Mrin Agarwal

This session was attended by more than 159 IFA’s.
Recording of the webinar has been uploaded on the FIFA Website.

Please find the link / path of the recording.
<https://www.fifaindia.org/uploads/audios/member/Mrin-Agarwal-session-on-28th-May2021-How-MFDs-Advisors-Can-Enhance-Their-Profile.mp3>

FIFA has proposed to take group insurance policy for members during the pandemic situation. In this regard, we have forwarded email on 29th May 2021 to all members, requesting for their full name, date of birth as per Aadhar card copy, and to share a copy of the Aadhar card.

Fund flow

CATEGORY-WISE FUND FLOW - MAY-2021 & YTD FY21-22										
Category	MAY'21 Fund flows (Cr₹)			% Add/	Net flow	NFO: May'21		Net FF '22	% Add/	# times FYTD
Sort: Mth Net flow - Categ	Purch	Redemp	Net Flow	Drag	3M Avg	Schm	Amt	Apr	Drag	'21 Vs '22
EQUITY TOTAL	25634	16398	9235	23.9%	757	3	3125	11019	20.3%	0.99
Multi Cap Fund	2480	525	1954	21.2%	na	1	1922	na	na	na
Mid Cap Fund	2947	1579	1368	14.8%	787	0	0	2326	21.1%	2.99
Focused Fund	2387	1218	1169	12.7%	484	1	675	1437	13.0%	1.02
Sectoral/Thematic F	3710	2573	1137	12.3%	1116	0	0	2842	25.8%	4.59
Flexi Cap Fund	3640	2509	1130	12.2%	na	0	0	na	na	na
Small Cap Fund	2316	1235	1081	11.7%	23	0	0	1265	11.5%	1.87
Large Cap Fund	3372	2434	937	10.2%	-77	0	0	1262	11.5%	0.39
Large & Mid Cap Fur	1877	1032	845	9.1%	603	0	0	1553	14.1%	1.48
Dividend Yield Func	722	62	660	7.1%	5	1	528	657	6.0%	O/f to I/f
Value Fund/Contra F	1030	939	91	1.0%	-750	0	0	-583	-5.3%	I/f to O/f
ELSS	1154	1444	-290	-3.1%	189	0	0	-426	-3.9%	I/f to O/f
Multi + Flexi	6119	3035	3085	33.4%	293	1	1922	3187	28.9%	1.59
Equity: Open Ended	25634	15551	10083	109%	2673	3	3125	13520	122.7%	1.18
Equity: Close Ended	0	848	-848	-9.2%	-1916	0	0	-2502	-22.7%	7.93
ALL DEBT TOTAL	537145	600599	-63454	-16.4%	9138	1	226	14209	26%	0.16
DEBT (ex-Liquid & O/n)	88625	95059	-6434	-16.7%	-11670	1	226	11230	21%	O/f to I/f
Low Duration Fund	20941	13118	7823	12.3%	-1227	0	0	17145	120.7%	O/f to I/f
Money Market Fund	23564	19230	4334	6.8%	7610	0	0	24621	173.3%	6.48
Ultra Short Duration	17296	14372	2924	4.6%	-253	1	226	11842	83.3%	O/f to I/f
Medium to Long Dur	950	103	847	1.3%	-412	0	0	947	6.7%	O/f to I/f
Dynamic Bond Fund	1292	743	549	0.9%	-680	0	0	-1554	-10.9%	1.26
Medium Duration Fu	865	457	408	0.6%	249	0	0	747	5.3%	O/f to I/f
Credit Risk Fund	558	300	258	0.4%	-386	0	0	101	0.7%	O/f to I/f
Floater Fund	6836	6709	127	0.2%	2012	0	0	3478	24.5%	O/f to I/f
Gilt: 10 Year Duratio	64	46	18	0.0%	-49	0	0	-4	0.0%	I/f to O/f
Long Duration Fund	35	28	7	0.0%	21	0	0	14	0.1%	0.02
Gilt Fund	920	1864	-944	-1.5%	-169	0	0	703	4.9%	0.16
Short Duration Fund	6312	7346	-1034	-1.6%	-6022	0	0	212	1.5%	O/f to I/f
Banking and PSU Fu	3407	4746	-1340	-2.1%	-2773	0	0	-1491	-10.5%	I/f to O/f
Corporate Bond Fun	5586	7054	-1468	-2.3%	-2026	0	0	-3348	-23.6%	I/f to O/f
Overnight Fund	249965	261538	-11573	-18.2%	7666	0	0	6919	48.7%	O/f to I/f
Liquid Fund	198554	244002	-45447	-71.6%	13142	0	0	-3940	-27.7%	I/f to O/f
Debt: Open Ended	537144	581656	-44512	-70%	16703	1	226	56391	397%	0.53
Debt: Close Ended	0	18942	-18942	-29.9%	-7565	0	0	-42182	-297%	2.31
Infrastructure Debt Fu	0	0	0	0.0%	-106	0	0	-319	-0.6%	na
HYBRID TOTAL	15178	8960	6217	16.1%	6518	1	184	14859	27.4%	1.16
Arbitrage Fund	9232	4711	4521	72.7%	5122	0	0	11766	79%	0.68
Dyn. AA / Bal. Adv.	2926	1563	1363	21.9%	2139	0	0	3063	21%	O/f to I/f
Conservative Hybrid	578	183	395	6.4%	216	1	184	579	4%	O/f to I/f
Equity Savings Fund	593	212	382	6.1%	-56	0	0	370	2%	O/f to I/f
Multi Asset Allocati	312	321	-8	-0.1%	45	0	0	18	0.1%	O/f to I/f
Aggressive / Bal Hyt	1536	1971	-435	-7.0%	-948	0	0	-937	-6%	0.51
SOLUTION TOTAL	203	136	68	0.2%	385	0	0	126	0.2%	0.70
Retirement Fund	148	114	34	50.4%	367	0	0	68	53.7%	0.66
Childrens Fund	55	22	33	49.6%	18	0	0	58	46.3%	0.74
OTHERS TOTAL	14219	4887	9332	24.2%	5725	7	2375	14412	26.5%	3.83
Other ETFs	9186	3806	5380	57.6%	2706	4	444	7916	54.9%	9.44
FoF-Overseas	2624	200	2424	26.0%	1147	2	1704	3119	21.6%	17.21
Index Funds	2017	776	1241	13.3%	1261	1	227	2408	16.7%	2.01
GOLD ETF	393	105	288	3.1%	611	0	0	968	6.7%	0.63
GRAND TOTAL	592378	630980	-38602	100%	22417	12	5910	54305	100%	0.46

Source: AMFI, Int Research.Amt: Cr₹.I/f: Inflow ; O/f: Outflow. % Add/Drag: Sub-Categ on Categ Tot & Categ on Grand

Fund flow

MF CATEGORY-WISE AUM, FOLIOS SCREENER - MAY-2021																
CATEGORY	No. of Schemes	No. of Folios Count	%Share	% Folio Chg				AUM (Cr.)			% AUM Chg				AUM PER	
Sort: Month end AUM				1M	3M	6M	1Y	Mth AVG	Mth End	%Share	1M	3M	6M	1Y	Folio (Rs)	Schm(Cr)
EQUITY TOTAL	416	68485253	68.2%	1.6%	4.0%	5.2%	4.9%	1047444	1088602	32.9%	7.6%	10.3%	22.5%	60.8%	158954	2617
Large Cap Fund	32	10760639	15.7%	0.9%	2.9%	4.3%	4.4%	183721	190809	17.5%	7.1%	7.5%	17.0%	48%	177322	5963
Flexi Cap Fund	25	8584643	12.5%	na	na	na	na	164567	171160	15.7%	na	na	na	na	199379	6846
ELSS	42	12717303	18.6%	0.4%	2.7%	2.7%	2.4%	128406	132704	12.2%	5.8%	7.9%	19.6%	59.0%	104349	3160
Mid Cap Fund	27	6899084	10.1%	1.9%	5.8%	7.1%	5.2%	122716	127263	11.7%	7.1%	12.1%	26.4%	73.5%	184464	4713
Sectoral/Thematic F	107	8243946	12.0%	2.7%	6.5%	17.3%	23.4%	105336	109318	10.0%	7.8%	14.6%	44.6%	95.1%	132604	1022
Large & Mid Cap Fur	28	5161295	7.5%	1.5%	4.7%	6.8%	7.6%	80445	83718	7.7%	7.4%	11.7%	26.1%	72.0%	162204	2990
Small Cap Fund	24	5297876	7.7%	3.3%	6.4%	6.8%	2.5%	76685	80380	7.4%	10.4%	18.6%	35.8%	103%	151720	3349
Focused Fund	26	4048306	5.9%	1.9%	5.0%	7.9%	10.8%	71742	75074	6.9%	8.1%	11.2%	24.0%	69.4%	185445	2887
Value Fund/Contra f	18	3740816	5.5%	0.0%	-0.4%	-3.7%	-9.4%	63694	66005	6.1%	7.7%	8.5%	16.7%	44.7%	176444	3667
Multi Cap Fund	11	1516099	2.2%	na	na	na	na	22200	23483	2.2%	na	na	na	na	154888	2135
Dividend Yield Fund	8	533758	0.8%	6.3%	6.3%	19.0%	13.7%	7389	7986	0.7%	17.4%	21.0%	81.1%	120%	149611	998
Multi + Flexi	36	10100742	14.7%	2.5%	4.8%	6.4%	7.0%	186767	194643	17.9%	8.5%	10.4%	21.6%	52.9%	192701	5407
Equity: Open Ended	348	67503765	98.6%	1.7%	4.2%	6.2%	6.1%	1026901	1067899	98.1%	7.7%	10.9%	24.5%	64.1%	158198	3069
Equity: Close Ended	68	981488	1.4%	-2.1%	-12.0%	-37.5%	-41.8%	20543	20703	1.9%	1.9%	-11.1%	-33.2%	-21.4%	210936	304
ALL DEBT TOTAL	807	8264244	8.2%	0.0%	-7.1%	-1.7%	16.8%	1513633	1462790	44.3%	-3.8%	-2.3%	-3.1%	13.9%	1770023	1813
DEBT (ex-Liquid & O/n)	738	5964985	5.9%	0.0%	-8.7%	-2.6%	18.9%	1056160	1049404	31.7%	-0.2%	-2.5%	-2.5%	40.4%	1759273	1422
Liquid Fund	39	2173170	26.3%	-0.2%	-2.8%	0.4%	12.5%	365202	334987	22.9%	-11.7%	-5.8%	-10.8%	-28.6%	1541467	8589
Corporate Bond Fun	20	731334	8.8%	1.6%	3.0%	14.3%	77.3%	160071	158804	10.9%	-0.4%	1.6%	6.1%	72.7%	2171423	7940
Low Duration Fund	24	1172682	14.2%	-0.2%	-5.4%	3.3%	25.7%	143818	147046	10.1%	6.0%	1.2%	-2.6%	93.7%	1253933	6127
Short Duration Fund	26	648233	7.8%	1.2%	-8.8%	5.9%	80%	143840	142260	9.7%	-0.2%	-7.5%	-7.0%	49.8%	2194584	5472
Banking and PSU Fu	22	382838	4.6%	0.0%	-3.0%	6.9%	86.3%	120776	119453	8.2%	-0.6%	-4.7%	-3.2%	32.8%	3120191	5430
Money Market Fund	18	489855	5.9%	0.0%	1.9%	6.7%	36%	113725	115062	7.9%	4.2%	19.3%	16.2%	86.3%	2348896	6392
Ultra Short Duration	28	648109	7.8%	0.5%	-18.8%	-11.6%	3.7%	98922	99236	6.8%	3.3%	1.0%	-5.4%	39.4%	1531170	3544
Overnight Fund	30	126089	1.5%	0.5%	3.3%	8.4%	-1.1%	92270	78399	5.4%	-12.6%	19.4%	36.3%	16.5%	6217772	2613
Floater Fund	10	253649	3.1%	0.1%	1.2%	23.8%	70.2%	70238	69698	4.8%	0.7%	12.4%	25.1%	115%	2747801	6970
Medium Duration Fu	15	288377	3.5%	1.3%	-3.4%	-1.2%	46.6%	30864	31135	2.1%	2.0%	0.8%	13.7%	54.1%	1079676	2076
Credit Risk Fund	16	287465	3.5%	-0.1%	-12.7%	-22.7%	-23.8%	25656	25879	1.8%	1.9%	-8.1%	-9.3%	-15.1%	900261	1617
Dynamic Bond Fund	25	261292	3.2%	-0.3%	-9.7%	-8.9%	21.6%	24440	24866	1.7%	2.8%	-2.2%	-0.8%	44.3%	951666	995
Gilt Fund	21	208404	2.5%	-1.0%	-5.9%	-4.4%	22.7%	17522	17178	1.2%	-4.8%	3.0%	-15.4%	20.7%	824267	818
Medium to Long Dur	13	124790	1.5%	0.6%	-0.2%	2.5%	13.9%	10916	11477	0.8%	8.5%	6.9%	-4.2%	14.5%	919676	883
Long Duration Fund	2	28883	0.3%	-1.7%	-5.1%	-5.5%	0.1%	2613	2606	0.2%	0.1%	4.5%	3.5%	12%	902213	1303
Gilt: 10 Year Duratio	4	54990	0.7%	-2.3%	-7.8%	-4.5%	24.1%	1516	1521	0.1%	1.8%	-2.2%	-0.3%	25%	276599	380
Debt: Open Ended	313	7880160	95.4%	0.2%	-5.0%	1.0%	26.2%	1422391	1379608	94.3%	-2.7%	0.4%	-0.5%	19.9%	1750736	4408
Debt: Close Ended	494	384084	4.6%	-4.8%	-35.6%	-36.4%	-53.8%	91242	83182	5.7%	-18.3%	-32.4%	-32.0%	-37.6%	2165732	168
Infrastructure Debt Fu	8	80	0.0%	0.0%	-10.1%	-10.1%	-10.1%	1954	1959	0.1%	0.8%	-13.5%	-15.9%	-17.8%	24.49 cr	245
HYBRID TOTAL	140	9600284	9.6%	0.7%	2.9%	2.2%	0.4%	372623	371105	11.2%	5.5%	9.7%	19.5%	27.9%	386557	2651
Aggressive / Bal Hyt	34	4759028	49.6%	0.0%	0.3%	-3.2%	-9.5%	126414	129401	34.9%	4.9%	5.4%	9.4%	20.7%	271907	3806
Dyn. Asset All / Bal.	24	2904398	30.3%	1.0%	4.8%	8.6%	8.7%	114151	115975	31.3%	6.0%	8.9%	23.3%	42.3%	399307	4832
Arbitrage Fund	27	520451	5.4%	1.6%	21.2%	30.8%	74.4%	91971	85919	23.2%	5.6%	19.6%	36.9%	24.0%	1650855	3182
Multi Asset Allocati	10	724478	7.5%	0.5%	1.3%	0.4%	14.7%	16311	15544	4.2%	5.7%	5.1%	14.9%	44.4%	214552	1554
Conservative Hybrid	22	400578	4.2%	4.4%	5.7%	6.0%	5.6%	13407	13831	3.7%	4.9%	10.5%	16.9%	31.8%	345271	629
Equity Savings Fund	23	291351	3.0%	0.7%	1.1%	-2.4%	-10.7%	10369	10436	2.8%	6.8%	6.4%	4.0%	-4.7%	358196	454
SOLUTION TOTAL	35	5514604	5.5%	0.0%	0.3%	1.4%	1.4%	25125	25866	0.8%	5.2%	7.5%	21.6%	52.1%	46904	739
Retirement Fund	25	2632086	47.7%	0.1%	0.7%	3.4%	3.4%	13973	14407	55.7%	5.3%	7.7%	26.3%	56.0%	54737	576
Childrens Fund	10	2882518	52.3%	0.0%	-0.1%	-0.3%	-0.3%	11152	11459	44.3%	5.1%	7.2%	16.1%	47.4%	39752	1146
OTHERS TOTAL	191	8571680	8.5%	9.3%	30.0%	60.9%	135%	338723	355337	10.7%	8.5%	12.6%	32.2%	92.8%	414548	1860
Other ETFs	97	4876160	56.9%	8.2%	23.7%	50.1%	125%	286823	299665	84.3%	8.0%	9.4%	28.2%	87%	614551	3089
Index Funds	47	1181906	13.8%	8.1%	26.3%	52.4%	77%	21529	22905	6.4%	12.1%	35.8%	60.2%	122%	193795	487
GOLD ETF	11	1668034	19.5%	10.2%	53.1%	99.0%	178%	16198	16625	4.7%	6.4%	17.9%	25.6%	65%	99665	1511
FoF-Overseas	36	845580	9.9%	15.8%	35.7%	82.2%	293%	14174	16143	4.5%	15.4%	50.6%	111%	355%	190913	448
GRAND TOTAL	1597	100436145	100%	1.9%	4.4%	7.2%	10.3%	3299502	3305660	100%	2.1%	4.5%	10.2%	34.7%	329131	2070

Source: AMFI, Internal Research - Geojit Insights. Amt in Crs. %Share: Sub-Category on Category Total & Category on Grand Total.

Market Update – May 2021

Equity Markets Update

The equity markets sustained their uptrend in May 2021 as well. The benchmark indices, S&P BSE Sensex 30 and NSE Nifty50 generated around 7% returns for the investors during the month. These gains have been the biggest gains during May post the current Govt. came into power in May 2014. This was fueled by strong global cues and a steady decline in the Covid-19 cases. RBI also announced the Covid-19 restructuring scheme and liquidity support for the health sector, which further boosted the investor sentiments. The key triggers in the future for the markets would be the steady resumption through the Unlock cycle in different regions of the country and indications from the US regarding the tapering of the bond-buying plans earlier than expected.

Debt Market Update

The benchmark yields were largely range-bound during the month, as it ended the month at 6.02% on May 31, 2021, as against 6.03% as on April 30, 2021. In spite of the continuing inflationary pressures, the yields could sustain at the present levels largely due to support from the Reserve Bank of India through G-Sec Acquisition Program (GSAP) along with regular Open Market Operations (OMO). The times ahead may be critical in terms of inflationary pressures and the requirement of additional borrowing due to fiscal requirements emerging due to economic slowdown during the second wave of the Covid-19 outbreak.

Mutual Fund Industry Update

May 2021 was another month of touching record-highs for the Mutual Fund Industry, as the Industry Assets Under Management (AUM) ended at Rs. 33.06 lakh crores on May 31, 2021. The share of equity schemes increased to 33% of the AUM, predominantly due to the MTM gains under the equity schemes and the periodic withdrawals in debt schemes. As of May 31, 2021, debt schemes had 44% share, hybrid schemes 11%, ETFs/ FoFs 11%, and the balance 1% is occupied by solution-oriented schemes. Passive schemes, including ETFs/ FoFs, led the monthly inflows to figure amongst different categories during the month with net inflows of Rs. 9,332 crores. The monthly SIP inflows increased from Rs. 8,596 crores during April 2021 to Rs. 8,819 crores in May 2021. Investors registered 15.48 lakh new SIPs during the month, while 6.66 lakh SIPs were discontinued/ stopped/ tenure completed, and the total SIP AUM as of May 31, 2021 is Rs. 4.67 lakh crores.

Currency Update

Indian Rupee staged a strong rebound against the US Dollar, as it appreciated from Rs. 74.06 per USD as of April 2021 end to Rs. 72.62 per USD as of May 2021 end. This has been on the back of healthy inflows and steady improvement in the pandemic situation, leading to the overall decrease in the risk perception for Indian economy.

Potential Risk Class Matrix for debt schemes

SEBI (Securities & Exchange Board of India) has specified scheme categorization based on scheme characteristics and regular disclosures regarding product labelling in mutual funds through Risk-o-meter. The Risk-o-meter dynamically captures the actual risk taken by the fund manager within the investment portfolio. Still, the potential risk embedded within the fund manager's powers was nowhere reflected. Therefore, as an investor-friendly measure, SEBI has now notified that all debt schemes will be required to be classified under a Potential Risk Class matrix.

Potential Risk Class Matrix

The potential risk class matrix will be derived based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme). The fund house may need to calculate the potential risk class based on the scheme objective so that the investors can make an informed decision on the risk. The maximum weighted average interest rate risk can be classified into three classes, Macaulay Duration less than one year, Macaulay Duration between 1 year & 3 years, and Macaulay duration without any thresholds. Similarly, the Credit Risk categorization risk will be based on the CRV values of more than 12, between 10 to 12, and less than 10. The Credit risk values have been attributed to different debt securities in descending order of safety. The safest securities in terms of Credit Risk, i.e., G-Secs, are given CRV of 13, AAA-rated securities carry CRV of 12, and the unrated debt securities carry CRV of 2.

As such, the potential risk class matrix has been formulated as below:

Maximum Credit Risk of the scheme ->	Class A (CRV >=12)	Class B (CRV >=10)	Class C (CRV<10)
Maximum Interest Rate Risk of the scheme			
Class I: (MD<=1 year)	Relatively Low Interest Rate Risk and Relatively Low Credit Risk	Relatively Low interest rate risk and moderate Credit Risk	Relatively Low interest rate risk and Relatively High Credit Risk
Class II: (MD<=3 years)	Moderate interest rate risk and Relatively Low Credit Risk	Moderate interest rate risk and moderate Credit Risk	Moderate interest rate risk and Relatively High Credit Risk
Class III: Any Macaulay duration	Relatively High interest rate risk and Relatively Low Credit Risk	Relatively High interest rate risk and moderate Credit Risk	Relatively High interest rate risk and Relatively High Credit Risk

Risk Matrix

Multiple Schemes in Single Risk Class

While the scheme categorization guidelines don't permit more than one scheme by a fund house except for few specific categories, mutual funds carry full flexibility to place single/multiple schemes in any cell of the Potential Risk Class matrix (PRC).

Changes in the Risk Class of Debt Fund

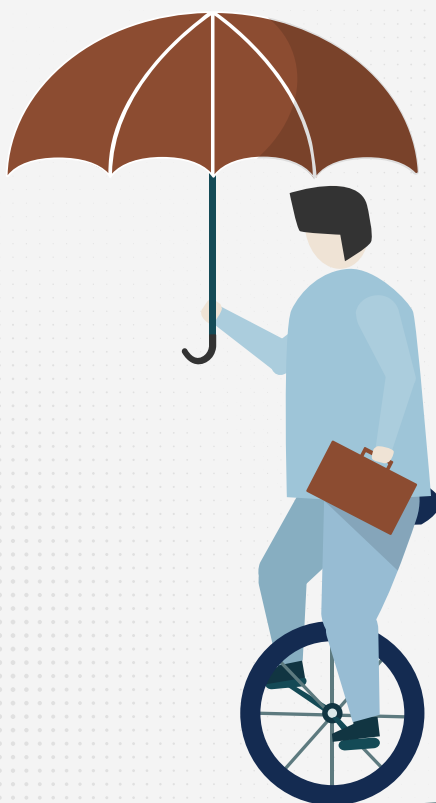
The fund managers can undertake investments to categorize the investment portfolio in any risk matrix lower than the initial categorization. However, any upward shift in the scheme's potential risk categorization will be considered a change in the fundamental attribute of the scheme.

Disclosure of the Potential Risk Class

The aforesaid matrix along with the scheme categorization will be required to be disclosed on the front page of the initial offering application form, Scheme Information Documents (SID), Key Information Memorandum (KIM), Common Application Form (CAF), and scheme advertisement in a manner to be prominently visible to investors. In addition, mutual funds will also be required to inform the unitholders about the abovementioned classification in one of the nine cells and subsequent changes, if any, through SMS and by providing a link on their website referring to the said change.

Applicability of the New Guidelines

These guidelines come into force with effect from December 1, 2021, for existing debt schemes and new schemes. However, SEBI does not restrict an early adoption of these guidelines by mutual funds.





Q1 – Multi asset funds must invest in at least 3 asset classes.

- a) True (b) False

Q2 – A upward change in the Potential Risk Grade of the debt mutual fund scheme will be considered as change in the fundamental attribute of the scheme.

- a) True (b) False

Q3 – Mutual funds cannot charge exit load on debt schemes.

- a) True (b) False

Q4 – Which of the following is one of the measurement criteria for the Potential Risk Class Matrix for debt mutual fund schemes?

- (a) Weighted Average Maturity
- (b) Macaulay Duration
- (c) Maximum Average Maturity
- (d) Yield to Maturity

Q5 – Gains from International Equity funds are classified as Long Term Capital Gains after one year of investment.

- a) True (b) False

Answers: Q1: A, Q2: A, Q3: B, Q4: B, Q5: B