

KEY INFORMATION MEMORANDUM CUM APPLICATION FORM

ITI SMALL CAP FUND

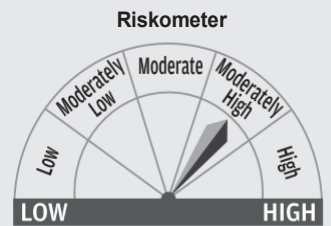
(An open ended equity scheme predominantly investing in small cap stocks)

Continuous offer of the Units of the face value of Rs. 10 each for cash at NAV based prices (subject to applicable load)

This product is suitable for investors who are seeking*:

- Capital appreciation over long term
- Investment in a diversified portfolio predominantly consisting of equity and equity related instruments of small cap companies

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



Investors understand that their principal will be at moderately high risk

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 and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website www.itimf.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 accuracy or adequacy of this KIM.

This KIM is dated June 29, 2020.

Name and Address of Mutual Fund

ITI Mutual Fund

Naman Midtown 'A' - Wing
21st Floor, Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013

Name and Address of Asset Management Company

ITI Asset Management Limited

Registered Office:
Naman Midtown 'A' - Wing
21st Floor, Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013
CIN: U67100MH2008PLC177677

Name and Address of Trustee Company

ITI Mutual Fund Trustee Private Limited

Registered Office:
Naman Midtown 'A' - Wing
21st Floor, Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013
CIN: U65999MH2016PTC287077

Toll Free Number: 1800-266-9603 | Non Toll Free Number: 022-6621 4999 | Email: mfasst@itiorg.com

| Name of the Scheme | ITI Small Cap Fund | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---------|----------------|--|-------------|---|--|--------------|---------|---------|--|------|-----|------|---|-----|----|------|-----------------------------------|-----|----|---------------|----------------------------------|-----|----|----------------|
| Type of the Scheme | An open ended equity scheme predominantly investing in small cap stocks | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Objective | <p>The investment objective of the Scheme is to generate capital appreciation by predominantly investing in equity and equity related securities of small cap companies.</p> <p>However, there can be no assurance that the investment objective of the scheme would be achieved.</p> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset Allocation | <p>Under normal circumstances, the asset allocation pattern will be as follows:</p> <table border="1" data-bbox="435 548 1495 898"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocations (% of net assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Maximum</th> <th>Minimum</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments of small cap companies**</td> <td>100%</td> <td>65%</td> <td>High</td> </tr> <tr> <td>Equity and Equity Related Instruments of other than small cap companies</td> <td>35%</td> <td>0%</td> <td>High</td> </tr> <tr> <td>Debt and Money Market Instruments</td> <td>35%</td> <td>0%</td> <td>Low to Medium</td> </tr> <tr> <td>Units issued by REITs and InvITs</td> <td>10%</td> <td>0%</td> <td>Medium to High</td> </tr> </tbody> </table> <p>** Small cap companies are companies which have a market capitalization of less than that of the top 250th listed company in terms of full market capitalisation as prescribed under SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017 as amended from time to time.</p> <p>Further,</p> <ul style="list-style-type: none"> • The Scheme may invest in securitized debt up to 35% of the net assets. • The Scheme may take derivative exposure up to 50% of the net assets of the Scheme. The Scheme may also take exposure into fixed income derivatives within the overall limit of 50% for hedging and portfolio rebalancing purpose. • The Scheme may engage in short selling of securities in accordance with the framework relating to Short Selling and securities lending and borrowing specified by SEBI. The Scheme shall not invest in Credit Default Swaps. • The Scheme may invest in foreign securities and ADRs/GDRs upto 10% of net assets subject to a maximum of US\$ 50 million in accordance with the provisions of SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated September 26, 2007 and SEBI/IMD/CIR No. 122577/08 dated April 8, 2008, as may be amended from time to time. • The Scheme shall invest in repo in Corporate Bond as permitted by SEBI. <p>Pending deployment in terms of the investment objective, funds may be invested in short-term deposits with scheduled commercial banks in accordance with applicable SEBI guidelines.</p> <p>In accordance with SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, the cumulative gross exposure through equity, debt, derivative positions and units issued by REITs & InvITs should not exceed 100% of the net assets of the scheme. Same security wise hedge position shall not be considered in computing gross exposure.</p> <p>Please refer the Scheme Information Document (SID) of the Scheme for further details.</p> | | | | Instruments | Indicative allocations (% of net assets) | | Risk Profile | Maximum | Minimum | Equity and Equity related instruments of small cap companies** | 100% | 65% | High | Equity and Equity Related Instruments of other than small cap companies | 35% | 0% | High | Debt and Money Market Instruments | 35% | 0% | Low to Medium | Units issued by REITs and InvITs | 10% | 0% | Medium to High |
| Instruments | Indicative allocations (% of net assets) | | Risk Profile | | | | | | | | | | | | | | | | | | | | | | | |
| | Maximum | Minimum | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity and Equity related instruments of small cap companies** | 100% | 65% | High | | | | | | | | | | | | | | | | | | | | | | | |
| Equity and Equity Related Instruments of other than small cap companies | 35% | 0% | High | | | | | | | | | | | | | | | | | | | | | | | |
| Debt and Money Market Instruments | 35% | 0% | Low to Medium | | | | | | | | | | | | | | | | | | | | | | | |
| Units issued by REITs and InvITs | 10% | 0% | Medium to High | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Strategy | <p>The Scheme shall follow a predominantly small cap strategy with a minimum exposure of 65% to Small-Cap stocks. Small cap companies are companies which have a market capitalization of less than that of the top 250th listed company in terms of market capitalisation as prescribed under SEBI circular no. SEBI/HO/IMD/DF3/ CIR/P/2017/114 dated October 06, 2017 as amended from time to time.</p> <p>The Scheme may also seek participation in other equity and equity related securities to achieve optimal portfolio construction.</p> | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>The portfolio will be built utilising a bottom-up stock selection process, focusing on appreciation potential of individual stocks from a fundamental perspective. The Scheme may also invest a certain portion of its corpus in debt and money market securities. Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook.</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>Risks associated with investing in Equities and Equity related Securities</p> <p>Investments in equity and equity related securities involve a degree of risk and investors should not invest in equity schemes unless they afford to take the risk of losing their investment.</p> <p>Equity instruments by nature are volatile and prone to price fluctuations on a daily basis due to both micro and macro factors. Volatility in the capital markets, changes in policies of the Government, taxation laws or any other political and economic development may negatively affect the prices of the securities invested in by the Scheme. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of some of the investments. The Scheme may inter-alia also may be exposed to the risk arising from over exposure to few securities/issuers/sectors.</p> <p>Risks associated with investing in debt and / or Money Market Securities:</p> <p>The NAV of the Scheme, to the extent invested in Debt and Money Market securities, will be affected by changes in the interest rates due to various factors such as government borrowing, inflation, economic performance etc. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates. Investments in Fixed Income securities may inter-alia carry Re-investment Risk, Spread Risk, Credit/Default Risk, Liquidity Risk, Prepayment Risk, etc.</p> <p>Risks associated with investments in Derivatives</p> <p>Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.</p> <p>Risks associated with investing in repo transactions in corporate bonds:</p> <p>The market for the aforesaid product is illiquid. Hence, repo obligations cannot be easily sold to other parties. If a counterparty fails, the scheme would have to take recourse to the collateral provided. If a counterparty fails to repay and the value of the collateral falls beyond the haircut, then the Scheme would be exposed to a loss of interest or principal.</p> <p>Further, if the Scheme needs to take recourse to the debt securities provided as collateral, and the issuer of the debt securities makes a default, the scheme may lose the whole, or substantial portion of the amount. This risk is somewhat mitigated by the fact that only bonds which have credit rating of AA and above can be accepted as collateral for repo transactions.</p> <p>Risks associated with investing in Securities Segment and Tri-party Repo trade settlement</p> <p>The mutual fund is exposed to the extent of its contribution to the default fund of CCIL at any given point in time i.e. in the event that the default waterfall is triggered and the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, the scheme may lose an amount equivalent to its contribution to the default fund.</p> |

| | <p>Risk factors associated with investments in REITs and InvITs;</p> <p>Investment in REITs and InvITs carry Liquidity Risk, Re-investment Risk, Price Risk, Interest Rate Risk, Credit Risk, Regulatory/Legal Risk etc.</p> <p>Risks associated with transaction in Units through stock exchange(s):</p> <p>In respect of transaction in Units of the Scheme through BSE and / or NSE (applicable to the facility to transact in the Units of the Scheme through the Stock Exchange mechanism provided by the AMC), allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by BSE and / or NSE and their respective clearing corporations on which the Fund has no control.</p> <p>Risks associated with Restrictions on Redemption:</p> <p>The Trustee and the AMC may impose restrictions on redemptions when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets. Accordingly, such restriction may affect the liquidity of the Scheme and there may be a delay in investors receiving part of their redemption proceeds.</p> <p>Risks associated with Segregated portfolio:</p> <p>The AMC / Trustee shall decide on creation of segregated portfolio of the Scheme in case of a credit event at issuer level i.e. downgrade in credit rating by a Credit Rating Agencies (CRA) or actual default (in case of unrated debt or money market instruments). Accordingly, Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer. The Security comprises of segregated portfolio may not realise any value.</p> <p>Further, Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.</p> <p>Please refer the SID for further details.</p> | | | | | | | | | | |
|--|---|--|---|---|--|---|--|--|--|--|---|
| <p>Risk Factors</p> <p>Mitigation</p> | <p>The asset allocation of the Scheme will be steadily monitored and it shall be ensured that investments are made in accordance with the scheme objective and within the regulatory and internal investment restrictions prescribed from time to time. A detailed process has been designed to identify measure, monitor and manage portfolio risk.</p> <p>Some of the risks and the corresponding risk mitigating strategies are listed below:</p> <table border="1" data-bbox="427 1447 1497 2089"> <thead> <tr> <th data-bbox="427 1447 951 1514">Risk & Description specific to the Scheme</th> <th data-bbox="951 1447 1497 1514">Risk mitigants / management strategy</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 1514 951 1682"> <p>Market risk Risk arising due to vulnerability to price fluctuations and volatility, having material impact on the overall returns of the scheme</p> </td> <td data-bbox="951 1514 1497 1682"> <p>Endeavour to have a well diversified portfolio of good companies with the ability to use cash/derivatives for hedging</p> </td> </tr> <tr> <td data-bbox="427 1682 951 1783"> <p>Derivatives risk Various inherent risks arising as a consequence of investing in derivatives.</p> </td> <td data-bbox="951 1682 1497 1783"> <p>Continuous monitoring of the derivatives positions and strictly adheres to the regulations and internal norms</p> </td> </tr> <tr> <td data-bbox="427 1783 951 1995"> <p>Credit risk Risk associated with repayment of investment</p> <p>Performance risk Risk arising due to change in factors affecting the market</p> </td> <td data-bbox="951 1783 1497 1995"> <p>Investment universe carefully selected to only include issuers with high credit quality Understand the working of the markets and respond effectively to market movements</p> </td> </tr> <tr> <td data-bbox="427 1995 951 2089"> <p>Concentration risk Risk arising due to over exposure in few securities</p> </td> <td data-bbox="951 1995 1497 2089"> <p>Invest across the spectrum of issuers and keeping flexibility to invest across tenor</p> </td> </tr> </tbody> </table> | Risk & Description specific to the Scheme | Risk mitigants / management strategy | <p>Market risk Risk arising due to vulnerability to price fluctuations and volatility, having material impact on the overall returns of the scheme</p> | <p>Endeavour to have a well diversified portfolio of good companies with the ability to use cash/derivatives for hedging</p> | <p>Derivatives risk Various inherent risks arising as a consequence of investing in derivatives.</p> | <p>Continuous monitoring of the derivatives positions and strictly adheres to the regulations and internal norms</p> | <p>Credit risk Risk associated with repayment of investment</p> <p>Performance risk Risk arising due to change in factors affecting the market</p> | <p>Investment universe carefully selected to only include issuers with high credit quality Understand the working of the markets and respond effectively to market movements</p> | <p>Concentration risk Risk arising due to over exposure in few securities</p> | <p>Invest across the spectrum of issuers and keeping flexibility to invest across tenor</p> |
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|--------------------------------|---|---|
| | Liquidity risk Risk arising due to inefficient Asset Liability Management, resulting in high impact costs | Control portfolio liquidity at portfolio construction stage. Having optimum mix of cash & cash equivalents along with the debt papers in the portfolio |
| | Interest rate risk Price volatility due to movement in interest rates | Control the portfolio duration and periodically evaluate the portfolio structure with respect to existing interest rate scenario |
| | Event risk Price risk due to company or sector specific event | Understand businesses to respond effectively and speedily to events. Usage of derivatives: Hedge portfolios, if required, in case of predictable events with uncertain outcomes |
| Plans / Options offered | <p>The Scheme will have two Plans i.e. Regular Plan and Direct Plan. Each plan offers the following options:</p> <p>a) Growth Option</p> <p>b) Dividend Option</p> <ul style="list-style-type: none"> • Dividend Payout Option • Dividend Re-investment Option <p>Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund (i.e. investments not routed through an AMFI Registration Number (ARN) Holder).</p> <p>Under the Growth option, no dividend will be declared. Under the Dividend option, dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the SEBI Regulations).</p> <p>If the investor does not clearly specify the choice of option (Growth / Dividend) at the time of investing, it will be treated as a Growth option. If the investor does not clearly specify at the time of investing, the choice of option under Dividend, it will be treated as a dividend reinvestment option.</p> <p>In case, the dividend amount is less than Rs. 500/-, then it will be compulsorily reinvested in the existing plan of the scheme, invested by the investor.</p> <p>The Trustee may decide to distribute by way of dividend, the surplus by way of realised profit, dividends and interest, net of losses, expenses and taxes, if any, to Unit-holders in the Dividend option of the Scheme if such surplus is available and adequate for distribution in the opinion of the Trustee. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution shall be final. The dividend will be due to only those Unit-holders whose names appear in the register of Unit Holders in the dividend option of the Scheme on the record date.</p> <p>Default Plan</p> <p>Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form. However, if distributor code is mentioned in application form, but "Direct Plan" is mentioned 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 Regular Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan.</p> <p>The below table summarizes the procedures which would be adopted by the AMC for applicability of Direct Plan / Regular Plan, while processing application form /transaction request under different scenarios:</p> | |

| Sr. no | AMFI Registration Number (ARN) Code mentioned in the application Form / transaction request | Plan as selected in the application form / transaction request | Transaction shall be processed and Units shall be allotted under |
|--------|---|--|--|
| 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 endeavour to contact the investor/distributor 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.

Default Option – Growth

Default facility under Dividend Option – Reinvestment

Applicable NAV (after the scheme opens for repurchase and sale)

The following cut-off timings shall be observed by the Mutual Fund in respect of purchase of the Units of the scheme, and the following NAVs shall be applied for such purchase:

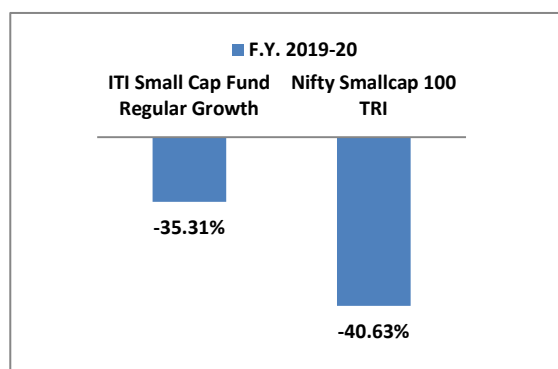
1. Where the application is received upto 3.00 p.m. with a local cheque or demand draft payable at par at the place where it is received, with amount less than Rs. 2 lakhs – closing NAV of the day of receipt of application;
2. Where the application is received after 3.00 p.m. with a local cheque or demand draft payable at par at the place where it is received, with amount less than Rs. 2 lakhs – closing NAV of the next Business Day;
3. Where the application is received with an outstation cheque or demand draft which is not payable on par at the place where it is received –closing NAV of day on which the cheque or demand draft is credited.

In respect of purchase of units with an amount equal to or more than Rs. 2 lakhs, irrespective of the time of receipt of application, the closing NAV of the day on which the funds are available for utilisation shall be applicable.

For allotment of units in respect of purchase / switch-in to the Scheme for an amount equal to or more than Rs. 2 lakhs, it shall be ensured that:

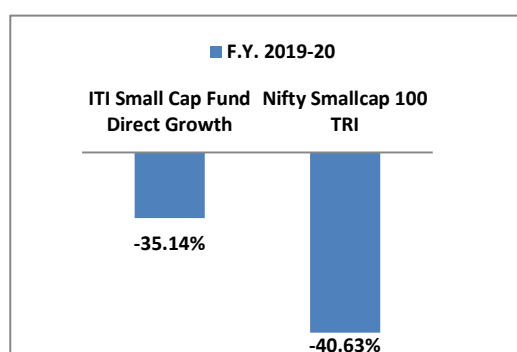
- (i) For allotment of units in respect of purchases in the Scheme, it shall be ensured that the application is received before the applicable cut-off time, the funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme before the cut-off time and the funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the Scheme.
- (ii) For allotment of units in respect of switch-in to the Scheme from other schemes, it shall be ensured that the application for the switch-in is received before the applicable cut-off time, the 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 and the funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the Scheme.

| | <p>For Redemption / switch out under both the Plans</p> <p>(a) where the application is received upto 3.00 p.m. – the closing NAV of the day; and (b) where the application is received after 3.00 p.m. – the closing NAV of the next Business Day.</p> <p>Note: In case the application is received on a Non-Business Day, it will be considered as if received on the Next Business Day.</p> <p>The above mentioned cut off timing shall also be applicable to transactions through the online trading platform.</p> <p>In case of Transaction through Stock Exchange Infrastructure, the Date of Acceptance will be reckoned as per the date & time; the transaction is entered in stock exchange's infrastructure for which a system generated confirmation slip will be issued to the investor.</p> | | | | | | | | | | | | | | | | | |
|---|--|---|--|--------|---|------------------------|----------------|----|----|----------------|----|----|----------------|----|----|---|---------|---------|
| Minimum Application amount / Number of units | Purchase | Additional Purchase | Minimum redemption amount / number of units | | | | | | | | | | | | | | | |
| | Rs. 5,000 and in multiples of Re.1 thereafter | Rs. 1,000 and in multiples of Rs. 1 thereafter. | Rs. 1,000/- and in multiples of Rs. 1/- thereafter or the account balance, whichever is lower. | | | | | | | | | | | | | | | |
| Despatch of repurchase redemption request | Within 10 working days of the receipt of the redemption request at the authorised centre of the ITI Mutual Fund. | | | | | | | | | | | | | | | | | |
| Benchmark Index | <p>Nifty Smallcap 100 TRI</p> <p>The Fund reserves the right to change the benchmark for evaluation of the performance of the Scheme from time to time, subject to SEBI Regulations and other prevailing guidelines if any.</p> | | | | | | | | | | | | | | | | | |
| Dividend policy | Under the Dividend option, the Trustee will have discretion 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 unitholder as to the rate of Dividend nor that will the Dividend be paid regularly. | | | | | | | | | | | | | | | | | |
| Name of the Fund Managers | <p>All funds will be managed in a co-fund manager model. Co-managed by Mr. George Heber Joseph & Mr. Pradeep Gokhale, since its inception.</p> <p>Further, Mr. Pradeep Gokhale is the dedicated Fund Manager for making overseas investments as permitted under the Regulations, guidelines and circulars issued from time to time.</p> | | | | | | | | | | | | | | | | | |
| Name of the Trustee Company | ITI Mutual Fund Trustee Private Limited | | | | | | | | | | | | | | | | | |
| Performance of the Scheme | <p>Performance of ITI Small Cap Fund – Regular Plan - Growth Option as at May 31, 2020 is as follows:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>ITI Small Cap Fund – Regular Plan - Growth Option</th> <th>Nifty Smallcap 100 TRI</th> </tr> </thead> <tbody> <tr> <td>1 year returns</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>3 year returns</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>5 year returns</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>Returns Since Inception (February 17, 2020)</td> <td>-29.39%</td> <td>-33.88%</td> </tr> </tbody> </table> | | | Period | ITI Small Cap Fund – Regular Plan - Growth Option | Nifty Smallcap 100 TRI | 1 year returns | NA | NA | 3 year returns | NA | NA | 5 year returns | NA | NA | Returns Since Inception (February 17, 2020) | -29.39% | -33.88% |
| Period | ITI Small Cap Fund – Regular Plan - Growth Option | Nifty Smallcap 100 TRI | | | | | | | | | | | | | | | | |
| 1 year returns | NA | NA | | | | | | | | | | | | | | | | |
| 3 year returns | NA | NA | | | | | | | | | | | | | | | | |
| 5 year returns | NA | NA | | | | | | | | | | | | | | | | |
| Returns Since Inception (February 17, 2020) | -29.39% | -33.88% | | | | | | | | | | | | | | | | |

Absolute Returns for each Financial Year for the last Five years


Performance of ITI Small Cap Fund – Direct Plan - Growth Option as at May 31, 2020 is as follows:

| Period | ITI Small Cap Fund – Direct Plan - Growth Option | Nifty Smallcap 100 TRI |
|---|--|------------------------|
| 1 year returns | NA | NA |
| 3 year returns | NA | NA |
| 5 year returns | NA | NA |
| Returns Since Inception (February 17, 2020) | -28.95% | -33.88% |

Absolute Returns for each Financial Year for the last Five years


Past performance may or may not be sustained in the future. The “since inception” returns are calculated on Rs. 10/- invested at inception. For this purpose, inception date is deemed to be the date of allotment. Returns computed on compounded annualised basis based on the NAV of Regular Plan Growth option.

Expenses of the scheme
(i) Load Structure

Entry Load: Not Applicable

Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. 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.

Exit Load –

- 1% if redeemed or switched out on or before completion of 12 months from the date of allotment of units;
- Nil, if redeemed or switched out after completion of 12 months from the date of allotment of units.

Redemption of units would be done on First in First out Basis (FIFO).

(ii) Recurring Expenses

A switch-out under Systematic Transfer Plan (“STP”) or a withdrawal under Systematic Withdrawal Plan (“SWP”) shall also attract an Exit Load like any Redemption.

Exit Load (net of Goods and Service Tax), if any charged, shall be credited to the Scheme. No exit load will be chargeable in case of switches made between different options of the scheme. Subject to the Regulations, the Trustees retains the right to change / impose an exit load.

The AMC has estimated that upto 2.25% of daily net assets of the Scheme will be charged to the Scheme as expenses for the first Rs. 500 crores of the daily net assets of the Scheme. The same may be reduced to the extent of increase in the corpus size. For the actual current expenses being charged, the Investor should refer to the website of the AMC.

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.

Goods and Services tax on expenses other than the investment management and advisory fees, if any, shall be charged to the Scheme within the maximum limit of total expense ratio as prescribed under regulation 52 of the SEBI (MF) Regulations. Goods and Services tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under regulation 52 of the SEBI (MF) Regulations.

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.

The total expenses of the Scheme including the investment management and advisory fee shall not exceed the limits stated in Regulation 52(6) which are as follows:

- On the first Rs. 500 crores of the daily net assets: 2.25%
- On the next Rs. 250 crores of the daily net assets: 2.00%
- On the next Rs. 1,250 crores of the daily net assets: 1.75%
- On the next Rs. 3,000 crores of the daily net assets: 1.60%
- On the next Rs. 5,000 crores of the daily net assets: 1.50%
- 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 balance of the assets: 1.05%

In addition to the limits specified in regulation 52(6), the following costs or expenses may be charged to the Scheme as per regulation 52 (6A), namely-

(a) Brokerage and Transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12 per cent of the value of trades in case of cash market transactions and 0.05 per cent of the value of trades in case of derivatives transactions.

(b) Expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI/AMFI from time to time are at least –

- (i) 30 per cent of gross new inflows in the Scheme, or;
- (ii) 15 per cent of the average assets under management (year to date) of the Scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the Scheme shall be charged on proportionate basis. Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that 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. Provided further that, additional TER can be charged based on inflows only from retail investors from B30 cities in terms of SEBI

| | <p>circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018 read with SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019.</p> <p>For this purpose inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from “retail investor”.</p> <p>Further, Goods and Services Tax on investment management and advisory fees shall be charged to the Scheme, in addition to the above expenses, as prescribed under the SEBI (MF) Regulations.</p> <p>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 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.</p> <p>Any circular/clarification issued by SEBI in regard to expenses chargeable to the Scheme/Plan(s) will automatically become applicable and will be incorporated in the SID/SAI/KIM accordingly.</p> <p>The current expense ratios will be updated on the AMC website at least three working days prior to the effective date of the change. The exact web link for TER is http://www.itimf.com/statutory-disclosure/total-expense-ratio.</p> | | | | | | |
|--|---|---------------|---------------------|--|---|-------------------|---|
| Transaction Charges | <p>In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, the AMC/ Fund shall deduct a Transaction Charge on per purchase /subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. The distributors shall have an option to either “Opt-in / Opt-out” from levying transaction charge based on the type of product. Therefore, the “Opt-in / Opt-out” status shall be at distributor level, basis the product selected by the distributor.</p> <p>Transaction charges shall be deducted for Applications for purchase/ subscription received through distributor/ agent as under (only if that distributor / agent has opted to receive the transaction charges):</p> <table border="1" data-bbox="435 1249 1481 1592"> <thead> <tr> <th>Investor Type</th> <th>Transaction Charges</th> </tr> </thead> <tbody> <tr> <td>New Investor (First Time Mutual Fund Investor)</td> <td>Transaction charge of Rs.150/- for per purchase / subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested.</td> </tr> <tr> <td>Existing Investor</td> <td>Transaction charge of Rs.100/- for per purchase / subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested.</td> </tr> </tbody> </table> <p>The transaction charges and the net investment amount and the number of units allotted will be clearly mentioned the Account Statement issued by the Mutual Fund.</p> <p>In case of investments through Systematic Investment Plan (SIP) the transaction charges shall be deducted only if the total commitment through SIP (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/-and above. In such cases, the transaction charges shall be deducted in 3-4 installments.</p> <p>Transaction charges shall not be deducted if:</p> <ol style="list-style-type: none"> The amount per purchases /subscriptions is less than Rs. 10,000/-; The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch/SIP/SWP/STP etc. Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/ agent). Subscription made through Exchange Platform irrespective of investment amount. | Investor Type | Transaction Charges | New Investor (First Time Mutual Fund Investor) | Transaction charge of Rs.150/- for per purchase / subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested. | Existing Investor | Transaction charge of Rs.100/- for per purchase / subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested. |
| Investor Type | Transaction Charges | | | | | | |
| New Investor (First Time Mutual Fund Investor) | Transaction charge of Rs.150/- for per purchase / subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested. | | | | | | |
| Existing Investor | Transaction charge of Rs.100/- for per purchase / subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested. | | | | | | |

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| Waiver of Load for Direct Applications | Not Applicable |
| Tax Treatment for the Investors | Investors are advised to refer to the paragraph on 'Taxation' in the Statement of Additional Information and also independently refer to their tax advisor. |
| Daily Net Asset Value (NAV) publication | The AMC will calculate and disclose the first NAV of the Scheme within 5 business days from the date of allotment. Subsequently, the AMC will calculate and disclose the NAVs on all the Business Days. The AMC shall update the NAVs on its website (www.itimf.com) and on the Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day. |
| For Investor grievances please contact | ITI mutual Fund Ms. Pallavi Singh Naman Midtown, 'A' Wing, 21st floor, Senapati Bapat Marg, Prabhadevi, Mumbai 400 013, India Phone No. : 022-6621 4999 Toll Free No. : 1800-266-9603 Email id : mfasst@itiorg.com Registrar KFin Technologies Private Limited Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad 500032 |
| Unitholders Information | Account Statements: On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 business days from the date of receipt of transaction request will be sent to the Unitholders registered e-mail address and/or mobile number. Where investors/Unitholders, have provided an email address, an account statement reflecting the units allotted to the Unitholder shall be sent by email on their registered email address. The Unitholder may request for a physical account statement by writing/calling the AMC/ISC/RTA. The AMC shall dispatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder. Consolidated Account Statement (CAS): Consolidated account statement for each calendar month shall be issued, on or before tenth day of succeeding month, detailing all the transactions and holding at the end of the month including the total purchase value/cost of investment in each scheme and transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folios transaction has taken place during that month. The AMC shall identify common investors across fund houses by their permanent account number (PAN) for the purposes of sending CAS. In the event the account has more than one registered holder, the first named Unitholder shall receive the CAS. Pursuant to SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016 read with SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, following additional disclosure(s) shall be provided in CAS issued for the half year (ended September/March): <ol style="list-style-type: none"> a) The amount of actual commission paid by the AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF Scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts/rewards, trips, event sponsorships etc. by the AMC/MFs to the distributors. Further, the commission disclosed in CAS shall be gross commission and shall not exclude costs incurred by distributors such as Goods and Services tax (wherever applicable, as per existing rates), operating expenses, etc. b) The scheme's average total expense ratio (in percentage terms) for the half-year |

period for the scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

The transactions viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan and systematic transfer plan, carried out by the Unit holders shall be reflected in the CAS on the basis of 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.

Pursuant to SEBI Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014, Depositories shall generate and dispatch a single consolidated account statement for investors (in whose folio the transaction has taken place during the month) having mutual fund investments and holding demat accounts.

Based on the PANs provided by the asset management companies/mutual funds' registrar and transfer agents (AMCs/MF-RTAs), the Depositories shall match their PAN database to determine the common PANs and allocate the PANs among themselves for the purpose of sending CAS. For PANs which are common between depositories and AMCs, the Depositories shall send the CAS.

In other cases (i.e. PANs with no demat account and only MF units holding), the AMCs/MF-RTAs shall continue to send the CAS to their unit holders as is being done presently in compliance with the Regulation 36(4) of the SEBI (Mutual Funds) Regulations.

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.

Half yearly Consolidated Account Statement:

A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/March), on or before 10th day of succeeding month, to all such Unitholders holding units in non- demat form in whose folios no transaction has taken place during that period shall be sent by email.

The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive the same in physical mode.

Annual report:

The Annual Report or Abridged summary thereof in the format prescribed by SEBI will be hosted within four months from the date of closure of the relevant accounting year (i.e. March 31st each year) on AMC's website (www.itimf.com) and on the website of AMFI (www.amfiindia.com). The Annual Report or Abridged Summary thereof will also be sent by way of e-mail to the Unit holder's registered e-mail address. Unit holders, who have not registered their email address, will have an option of receiving a physical copy of the Annual Report or Abridged summary thereof.

The Fund will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a Unit holder. Physical copies of the report will also be available to the Unit holders at the registered office at all times. The Fund will publish an advertisement every year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the AMC's website (www.itimf.com) and on the website of AMFI (www.amfiindia.com) and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the of the scheme wise annual report or abridged summary thereof.

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| | <p>Monthly portfolio Disclosure:</p> <p>The Mutual Fund shall disclose portfolio of the Scheme on the website of the AMC “www.itimf.com” and Association of Mutual Funds in India “www.amfiindia.com” along with ISIN on a monthly basis as on last day of each month, on or before tenth day of the succeeding month.</p> <p>Half yearly portfolio Disclosure:</p> <p>The Mutual Fund shall within 10 days from the close of each half year (i.e. 31st March and 30th September), host a soft copy of its Scheme Portfolio on its website “www.itimf.com”. The Mutual Fund shall also publish an advertisement disclosing the hosting of such half-yearly Scheme Portfolio on its website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated. The Scheme Portfolio shall also be displayed on the website of AMFI. The physical copy of the Scheme Portfolio Statement shall be made available to the Unit holders on request.</p> <p>For further details, please refer the SID of the Scheme.</p> |
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Additional Scheme Disclosures

a) Top 10 holdings by issuer and sectors (As on May 31, 2020)

| Issuer Name | % of Net Assets | Sector | % of Net Assets |
|---|-----------------|--------------------------|-----------------|
| AstraZeneca Pharma India Limited | 4.07 | Consumer Goods | 22.81 |
| Escorts Limited | 3.99 | Automobile | 14.54 |
| Engineers India Limited | 3.32 | Industrial Manufacturing | 11.06 |
| Rallis India Limited | 3.25 | Financial Services | 9.31 |
| Johnson Controls - Hitachi Air Conditioning India Limited | 2.88 | Construction | 6.96 |
| La Opala RG Limited | 2.77 | Metals | 6.00 |
| Kaveri Seed Company Limited | 2.62 | IT | 5.69 |
| Jtekt India Limited | 2.34 | Services | 5.22 |
| Tata Elxsi Limited | 2.31 | Fertilisers & Pesticides | 4.36 |
| Westlife Development Limited | 2.22 | Oil & Gas | 4.31 |
| Total | 29.77 | Total | 90.26 |

For the latest monthly portfolio holding, kindly visit our website - <https://www.itimf.com/statutory-disclosure/monthly-portfolios>

b) The Portfolio Turnover Ratio of the Scheme as on May 31, 2020: 0.45 times.

c) The aggregate investment (market value) in the Scheme by AMC’s Board of Directors, Scheme’s Fund Manager and Other Key Managerial Personnel -

| Particulars | Aggregate Investments Amount in Rs) |
|--------------------------------|-------------------------------------|
| Board of Directors | - |
| Fund Manager | 67,73,397 |
| Other Key Managerial Personnel | 1,32,184 |

COMPARISON WITH EXISTING OPEN-ENDED EQUITY SCHEMES:

| Scheme Name | Type | Investment Objective | Differentiation | AUM (Rs in crore) as on May 31, 2020 | No. of folios as on May 31, 2020 |
|-----------------------------|---|---|--|--------------------------------------|----------------------------------|
| ITI Multi Cap Fund | An Open Ended Equity Scheme investing across Large Cap, Mid Cap, Small Cap Stocks | The investment objective of the Scheme is to generate long-term capital appreciation from a diversified portfolio that predominantly invests in equity and equity-related securities of companies across various market capitalisation. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved. | The scheme will invest across large cap, mid cap and small cap stocks. Asset Allocation under normal circumstances: Equity and Equity related securities across market cap – 65% - 100%; Debt & Money Market Instruments – 0% - 35% | 113.55 | 11,411 |
| ITI Long Term Equity Fund | An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit | To provide long-term capital appreciation by investing predominantly in equity and equity related securities. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The scheme does not assure or guarantee any returns. | This Scheme seeks to generate income and long term capital appreciation by investing substantially in a portfolio consisting of equity and equity related securities. Asset Allocation under normal circumstances: Equity and Equity related securities – 80% - 100% Short Term Debt & Money Market Instruments – 0% - 20% | 26.82 | 6,999 |
| ITI Arbitrage Fund | An open ended scheme investing in arbitrage opportunities | 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. | The scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivatives segment of the equity market, and by investing the balance in debt and money market instruments. Asset Allocation under normal circumstances – Equity and Equity related instruments including derivatives - 65% - 100%; Debt instruments (including floating rate debt instruments and securitized debt)*with maturity up to 91days only– 0% - 35%. | 13.20 | 516 |
| ITI Balanced Advantage Fund | An open ended dynamic asset allocation fund) | The investment objective of the Scheme is to seek capital appreciation by investing in equity and equity related securities and fixed income | The fund is designed to dynamically change its allocation across equity, cash, debt and derivatives based on the prevailing market conditions. | 204.43 | 7098 |

| Scheme Name | Type | Investment Objective | Differentiation | AUM (Rs in crore) as on May 31, 2020 | No. of folios as on May 31, 2020 |
|-------------|------|---|---|--------------------------------------|----------------------------------|
| | | <p>instruments. The allocation between equity instruments and fixed income will be managed dynamically so as to provide investors with long term capital appreciation. However, there can be no assurance that the investment objective of the scheme will be realized.</p> | <p>Asset Allocation under normal circumstances:</p> <p>Equity and Equity related securities including derivatives – 65% - 100%; Money market instruments (including cash and reverse repo) and debt instruments with residual maturity up to 3 years – 0% - 35%; Units issued by REITs and InvITs - 0% - 10%.</p> | | |