

SCHEME INFORMATION DOCUMENT



SAHARA LIQUID FUND

(An Open Ended Liquid Scheme)

Offer of Units at NAV based prices during the Continuous Offer period.

Name of Mutual Fund	: Sahara Mutual Fund 97-98 9 th Floor,Atlanta, Nariman Point, Mumbai - 400 021
Name of Asset Management Company:	Sahara Asset Management Company Private Limited 97-98 9 th Floor,Atlanta. Nariman Point, Mumbai - 400 021
Name of Trustee Company	: Board of Trustees
Website	: www.saharamutual.com

The particulars of the Scheme/s have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

“SEBI vide its Order no: WTM/PS/26/IMD/DOF-III/July/2015 dated 28th July, 2015 had directed cancellation of “Certificate of Registration” of Sahara Mutual Fund which was to be effective on expiry of six months from the date of the Order. Further, SEBI also directed by the said Order that the Mutual Fund shall not take any new subscription from investors. Accordingly, the Mutual Fund has not taken any new subscription from the investors (including existing investors) in line with the said SEBI order. Sahara Asset Management Company Pvt. Ltd (SAMCPL) filed an appeal before the Securities Appellate Tribunal (SAT), Mumbai to set aside the said SEBI order.SAT vide its order dated 9th December, 2015 granted an interim stay in the matter. The appeal is pending for decision/disposal with the Securities Appellate Tribunal (SAT).”

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Sahara Mutual Fund, Tax and Legal issues and general information on www.saharamutual.com.

**SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.
The Scheme Information Document should be read in conjunction with the SAI and not in isolation.**

This Scheme Information Document is dated 27th June 2016

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I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Currently the sale of units under all the schemes of Sahara Mutual Fund has been suspended. Any reference to the purchase /switch of units in the SID is subject to the status of the SEBI order dated 28th July 2015 and the final decision of the Appropriate Regulatory Authority.

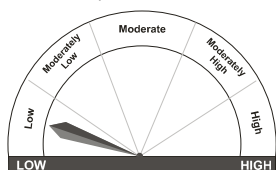
• INVESTMENT OBJECTIVE

(i) SAHARA Liquid Fund

The investment objective is to create a highly liquid portfolio of good quality debt as well as money market instruments with a view to provide high liquidity and reasonable returns to the unit holders, while at all times emphasizing the importance of capital preservation.

This product is suitable for investors who are seeking

- regular fixed income for short term.
- investment in Debt/Money Market Instrument/Govt. Securities.
- low risk (Investors understand that their principal will be at low risk)



(INVESTORS SHOULD CONSULT THEIR FINANCIAL ADVISERS IF IN DOUBT ABOUT WHETHER THE PRODUCT IS SUITABLE FOR THEM.)

- **Liquidity:** – Units may be purchased or redeemed on any business day on an ongoing basis, at NAV related price subject to prevailing load, if any. The Mutual Fund will under normal circumstances provide investors with a high degree of liquidity. The redemption cheques will be dispatched to the unit holders within the statutory time limit (currently within 10 Business days). The Mutual Fund will, under normal circumstances, endeavor to dispatch redemption proceeds on T+ 1 basis under the scheme.
- Unit holders will have the flexibility to alter the allocation of their investments among the Scheme(s) offered by the Mutual Fund in order to suit their changing investment needs, by easily switching between the Scheme(s) / Options/Plans of the Mutual Fund.

• **Benchmark:**

SAHARA Liquid Fund	CRISIL Liquid Fund Index
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- **Transparency/NAV Disclosure:** The NAV for the scheme shall be calculated on all calendar days/published in two daily newspapers, made available at our website www.saharamutual.com and to the press, news agencies and the Association of Mutual Funds of India (AMFI). In addition, the ISCs would also display the NAV.

The AMC shall disclose portfolio (along with ISIN) as on the last day of the month on the website of the Fund on or before the tenth day of the succeeding month in a user friendly and downloadable format (preferably in a spreadsheet).

The AMC shall disclose the Monthly Average Assets under Management (Monthly AAUM) on its website (in spreadsheet format) within 7 working days from the end of the month (a)AUM from different categories of schemes such as equity schemes, debt schemes, etc. (b) Contribution to AUM from B-15 cities (i.e. other than top 15 cities as identified by AMFI) and T-15 cities (Top 15 cities).(c) Contribution to AUM from sponsor and its associates. (d) Contribution to AUM from entities other than sponsor and its associates.(e) Contribution to AUM from investors type (retail, corporate, etc.) in different scheme type (equity, debt, ETF,

etc.) (f) AUM garnered through sponsor group/ non-sponsor group distributors (g). State-wise/Union Territory-wise contribution to AUM.

- **Loads:** The load structure for the scheme is as follows:

Scheme Name	Entry Load	Exit Load
Sahara Liquid Fund	NA	Nil

There will be no exit load for direct applications.

There will be no entry load in the scheme. In line with the regulations, the Trustees reserves the right to change the load structure if it so deems fit in the interest of the smooth and efficient functioning of the scheme, on a prospective basis.

- **Minimum Application Amount:**

Scheme	Minimum Amt	Additional Amount
Sahara Liquid Fund	Rs.1000/-	in multiples of Re.1/- thereafter.

- **Mis-selling of units of a Mutual Fund Scheme**

A new clause has been inserted under Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 on mis-selling of units of a mutual fund scheme;

For the purpose of this clause, "mis-selling" means sale of units of a mutual fund scheme by any person, directly or indirectly, by -

- (i) making a false or misleading statement, or
- (ii) concealing or omitting material facts of the scheme, or
- (iii) concealing the associated risk factors of the scheme, or
- (iv) not taking reasonable care to ensure suitability of the scheme to the buyer.

- **Employee Unique Identification Number (EUIIN)**

SEBI circular dated September 13, 2012 has directed mutual funds to capture the Unique Identity Number (EUIIN) of the employee/relationship manager/sales person of the distributor interacting with the investor for the sale of mutual fund products in addition to the AMFI Registration Number (ARN) of the distributor.

Hence, in order to protect the investors' interests and assist in tackling the problem of mis-selling associated with mutual fund transactions, investors are advised to mention the AMFI Identity Number of the Distributor's representative (employee / relationship manager / sales person) interacting with him/her.

- The Trustees reserves the right to change the minimum application amount if it so deems fit in the interest of the smooth and efficient functioning of the scheme, on a prospective basis.

II. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risks, liquidity risks, default risks including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the schemes.
- The name of the scheme/s does not in any manner indicate either the quality of the scheme/s or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme/s beyond the initial contribution of Rs.1 lakh made by it towards setting up the Fund.
- The scheme is not a guaranteed or assured return scheme.

Scheme Specific Risk Factors

Risk factors associated with investing in Fixed Income Securities

- The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) 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.
- Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme(s) and may lead to the Scheme(s) incurring losses till the security is finally sold.
- As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme(s). In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances, as described under "Right to Limit Redemptions" in Section 'Restrictions, if any, on the right to freely retain or dispose of units being offered'.
- At times, due to the forces and factors affecting the capital market, the Scheme(s) may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities amounting to substantial reduction in the earning capability of the Scheme(s).
- **Credit Risk:** The AMC may, from time to time, considering the overall risk of the portfolio, invest in high yielding / growth, lower rated and /or privately placed /unlisted / securitized securities. Lower rated or unrated securities are more likely to react to developments affecting market and credit risks than highly rated securities. The credit risks factors pertaining to lower rated securities also apply to other such instruments like lower rated zero coupon bonds, deferred interest bonds etc. As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. The AMC may choose to invest in zero coupon securities that offer attractive yields and carry higher interest rate risks. This may increase the risk of the portfolio.

- **Prepayment Risk:**

Asset securitization is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contracts may arise under any of the following circumstances;

Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or

Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or

The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same.

Some other debt instruments also carry prepayment risk. In the event of prepayments, investors may be exposed to changes in tenor and yield.

- **Liquidity Risk:** The liquidity of the scheme investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. From time to time, the Scheme may invest in certain securities of certain companies, industries, sectors, etc based on certain investment parameters adopted internally by the AMC. While at all times, the Trustees and the AMC will endeavor that excessive holding / investment in certain securities of industries, sectors, etc., by the Scheme be avoided, the assets invested by the Scheme, in certain securities of industries, sectors, etc., may acquire a

substantial portion of the Scheme investment portfolio and collectively may constitute a risk associated with non-diversification and thus could affect the value of investments. The Scheme may have difficulty in disposing off of certain securities as the securities may be unlisted, due to greater price fluctuations there may be a thin trading market, different settlement periods and transfer procedures for a particular security at any given time. It should be noted that the fund bears the risk of purchasing fraudulent or tainted papers. Reduced liquidity in the secondary market may have an adverse impact on market price and the Scheme(s) ability to dispose off particular securities, when necessary, to meet the Scheme(s) liquidity needs or in response to a specific economic event, such as the deterioration in the credit worthiness of the issuer, etc., or during re-structuring of the Scheme(s) investment portfolio. Furthermore, from time to time, the AMC, the Custodian, the Registrar or any associate, distributor, dealer, company, corporate bodies, trusts, any scheme/Mutual Fund managed by the AMC or by any other AMC may invest in the Scheme. While at all times, the Trustees and the AMC will endeavor to ensure that excessive holding of Units in the Scheme among a few unit holders is avoided, the amounts invested by these aforesaid persons may however, acquire a substantial portion of the Schemes outstanding Units and collectively may constitute a majority Unit holders in the Scheme. Accordingly, redemptions of units held by such persons may have an adverse impact on the value of redemption and may impact the ability of the Unit holders to redeem their respective Units.

Regulatory Risk: Any changes in trading regulations among other things may also result in a wider premium/ discount to the NAV of the Scheme.

- **Risks associated with Investing in Foreign Securities -**

The Scheme/s may in future invest in overseas financial assets, foreign securities etc, as and when permitted by the concerned regulatory authorities in India and as per SEBI regulations from time to time. To the extent that the assets of the Scheme/s will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of the respective foreign currencies relative to the Indian Rupee. The repatriation of the capital or interest to India may also be hampered by changes in applicable laws. In addition, country risks would include events such as introduction of extraordinary exchange control, economic deterioration, bi-lateral conflict and/or immobilization of the overseas financial assets.

- **Risks associated with Investing in Derivatives -** The Fund may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements or other derivative instruments for the purpose of hedging and portfolio balancing or as permitted under the Regulations and guidelines from time to time.

As and when the Scheme/s trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. 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. No assurance can be given that the fund manager will be able to identify or execute such strategies.

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.

Additional risks could be on account of illiquidity and hence mispricing of the future at the time of purchase.

- **Risks associated with Investing in Securitised Debt**

Asset Classes for Securitisation in India

- Commercial Vehicles
- Auto and Two wheeler pools
- Mortgage pools(residential housing loans)
- Personal Loan, credit card and other retail loans
- Corporate loans/receivables

Underlying Risk : Each asset class has a different underlying risk, however, residential mortgages are generally thought to have lower default rates. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable, the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher and hence their overall risks are comparable to other AAA rated asset classes.

The rating agencies have an elaborate system of stipulating margins, over collateralization and guarantee to bring risk limits in line with the other AAA rated securities. Predominantly, the scheme intends to invest in AAA rated scrutinized debt.

Some of the factors, which are typically analyzed for any pool are as follows:

Nature & Size of the loan: generally indicates the kind of assets financed with loans. Also indicates whether there is excessive reliance on very small ticket size, which may result in difficult and costly recoveries. To illustrate, the ticket size of housing loans is generally higher than that of personal loans. Hence in the construction of a housing loan asset pool for say Rs.1,00,00,000/- it may be easier to construct a pool with just 10 housing loans of Rs.10,00,000/- each rather than to construct a pool of personal loans as the ticket size of personal loans may rarely exceed Rs.5,00,000/- per individual. Also to amplify this illustration further, if one were to construct a pool of Rs.1,00,00,000/- consisting of personal loans of Rs.1,00,000/- each, the larger number of contracts(100 as against one of 10 housing loans of Rs.10 lakh each) automatically diversifies the risk profile of the pool as compared to a housing loan based asset pool.

Average original maturity of the pool: indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. To illustrate, in a car pool consisting of 60 month contracts, the original maturity and the residual maturity of the pool viz. number of remaining installments to be paid gives a better idea of the risk of default of the pool itself. If in a pool of 50 car loans having original maturity of 60 months, if more than 60% of the contracts have paid more than 40% of the installments and if no default has been observed in such contracts, this is a far superior portfolio than a similar car loan pool where 80% of the contracts have not even crossed 4 installments.

Borrowers Contribution vis a vis Loan: Indicates how much percentage value of the asset is financed by borrower's own equity. The higher the contribution of the borrower the better it is. This Ratio stems from the principle that where the borrowers own contribution of the asset cost is high, the chances of default are lower. To illustrate for a House costing Rs.20 lakhs, if the borrower has himself contributed Rs.10 lakh and has taken only Rs.10 lakh as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs.20 lakhs if he defaults in repaying an installment.

Repayment Discipline of the pool: indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loan, if a pool of assets consist of those who have

already repaid 80% of the installments without default, this certainly is a superior asset pool than one where only 10% of installments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.

Default rate distribution: Indicates how much percentage of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is very obvious, as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.

Credit Enhancement: Unlike in plain vanilla instruments, in scrutinized transactions it is possible to enhance the credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called 'Credit enhancement'. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collections from the pool of receivables for a given period are short of the contractual payouts on securitization. Securitization are normally non-recourse instruments and therefore, the repayment on securitization would have to come from the underlying assets and the credit enhancement. Therefore, the rating criteria centrally focus on the quality of the underlying assets.

Internationally, the quality of credit ratings is measured by default rates and stability. In the Indian scenario, more than 95% of issuances have been AAA rated issuances indicating the strength of the underlying assets as well as adequacy of credit enhancement.

Investment exposure of the Fund/scheme with reference to Securitised Debt:

The Fund/scheme will predominantly invest only in those rated securitized issuances at the time of making an investment.

It is frequently observed that securitized debt carrying similar credit and interest rate risk characteristics offer higher returns when compared to normal debt instruments. The Scheme may invest net assets in securitized debt(as per the stated % in the asset allocation of each scheme) to gain from the higher yields offered by these instruments. The decision to invest in securitized debt will be based on the Fund Manager's analysis of the comparative risk return profiles of the various instruments available in the market, including securitized debt.

The fund/scheme/s may invest in various type of securitized issuances, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation / Collateralized Bond Obligation and so on.

The fund/scheme/s does not propose to limit its exposure to only one asset class or to have asset class based sub-limits as it will primarily look towards the rating of the offering.

Risk Factors specific to investments in Securitised Instruments:

Types of Securitised Debt vary and carry different levels and types of risks. Credit Risk on Securitised Bonds depends upon the Originator and varies depending on whether they are issued with Recourse to Originator or otherwise.

Even within securitised debt, AAA rated securitized debt offers lesser risk of default than AA rated securitised debt. A structure with Recourse will have a lower Credit Risk than a structure without Recourse.

Underlying assets in Securitised Debt may assume different forms and the general types of receivables include Auto Finance, Credit Cards, Home Loans or any such receipts, Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of property mortgaged against these borrowings, nature of loan agreement/ mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loans, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.

Holders of the securitised assets may have low credit risk with diversified retail base on underlying assets especially when securitised assets are created by high credit rated tranches and may differ depending upon the interest rate movement and speed of prepayment etc. The change in market interest rates – prepayments may not change the absolute amount of receivables for the investors, but may have an impact on the re-investment of the periodic cash flows that the investor receives in the securitised paper.

Limited Liquidity & Price risk

Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Limited Recourse, Delinquency and Credit Risk

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Servicer may repossess and sell the underlying Asset.

However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

Risks due to possible prepayments:

Asset securitization is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contracts may arise under any of the following circumstances;

- Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or
- Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
- The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same.

In the event of prepayments, investors may be exposed to changes in tenor and yield.

Bankruptcy of the Originator or Seller

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a "True Sale". Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Bankruptcy of the Investor's Agent

If Investor's agent, becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or

delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal opinion is normally obtained to the effect that the Investors Agent's recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

Credit Rating of the Transaction / Certificate

The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the market price of the Certificate or its suitability to a particular investor. There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

Risk of Co-mingling

The Servicers normally deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of the Servicer. If the Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys highest credit rating on stand alone basis to minimize Co-mingling risk.

Risks associated with Short Selling and Securities Lending - It may be recognized that genuine short selling could exacerbate price decline but that by itself may not be construed as a manipulative activity unless there are evidences of market misconduct. However, abusive short selling practices to manipulate the price of a stock will continue to be treated as market misconduct and attract appropriate regulatory action. It may also be recognized that short selling, directly or indirectly poses potential risks and can easily destabilize the market.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

In line with the regulations, the Scheme(s) and individual Plan(s) under the Scheme(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s). In case of non-fulfillment with the condition of minimum 20 investors, the Scheme(s)/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS, if any

Investments in a Scheme(s) should be viewed by an Investor / Unit holder as a medium to long term investment as Mutual Funds carry normal market risks and there can be no assurance and no guarantee that the Scheme(s) will achieve its objectives. It is recommended that an investment in the Scheme(s) should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all, as investment decisions made by the Asset Management Company will not always be profitable or prove to have been correct. As with any investments in stocks, shares and securities, the NAV of the Units under this Scheme(s) can go up or down, depending on the factors and forces affecting the capital markets. Investors / Unit holders attention is drawn to the risk factors set out in the Clause(s) of the section titled "Risk factors" of this Scheme Information Document.:

Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about, and to observe, any such restrictions. No person(s) receiving a copy of this Scheme Information Document or any accompanying application form in such jurisdiction may treat this Scheme Information Document or such application form as constituting an invitation to subscribe for Units. It is the responsibility of any person(s) in possession of this Scheme Information Document and any persons wishing to apply for Units pursuant to this Scheme Information Document to inform them of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

No person is authorized to give any information or to make any representation inconsistent with this Scheme Information Document in connection with the units of schemes of Sahara Mutual Fund

This Scheme Information Document includes all the points mentioned in the Standard Observations issued by SEBI.

This Scheme Information Document contains no deviations from and neither have any subjective interpretations been applied to the provisions of any regulations. All contents in this Scheme Information Document have been checked and are factually correct.

Any information or representation not contained herein this document must not be relied upon as having been authorized by the Mutual Fund or the Investment Manager.

All information in the Scheme Information Document and Key Information Memorandum are updated considering the Standard Observations.

In terms of the Prevention of Money Laundering Act, 2002 ("PMLA") the rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML) Laws, all intermediaries, including mutual funds, are required to formulate and implement a client identification programme, and to verify and maintain the record of identity and address(es) of investors.

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

Investors are urged to study the terms of the offer carefully before investing in the Scheme and retain this SID and the SAI for future reference.

D. DEFINITIONS

In this Scheme Information Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

<p>“AMC” or “Asset Management Company” or “SAMCPL” or “Investment Manager”</p>	<p>Sahara Asset Management Company Private Limited (SAMCPL) (Formerly First India Asset Management Pvt Ltd) incorporated under the provisions of the Companies Act, 1956 and approved by Securities and Exchange Board of India (SEBI), to act as the Asset Management Company for the Scheme(s) of Sahara Mutual Fund.</p>
<p>“Applicable NAV”</p>	<p>Sahara Liquid Fund</p>

	<p>A. The following NAVs shall be applied for purchases:</p> <p>(i) where the application is received upto 3.00 pm with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the day of receipt of application;</p> <p>(ii) where the application is received after 3.00 pm with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the next business day ; and</p> <p>(iii) 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.</p> <p>Aggregation of transactions shall be done on the basis of investor/s Permanent Account Number (PAN). In case of joint holding in folios, transactions with similar holding structure will be aggregated.</p> <p>All transactions to be aggregated where investor holding pattern is same as stated above, irrespective of whether the amount of the individual transaction is above or below Rs.2 lakhs.</p> <p>Only transactions in the same scheme shall be clubbed. It will include transactions at option level (Dividend, Growth and Direct).</p> <p>Transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian.</p> <p>B. The following NAVs shall be applied for such repurchase:</p> <p>(i) where the application received upto 3.00 pm – closing NAV of the day of receipt of application;</p> <p>(ii) An application received after 3.00 pm – closing NAV of the next business day.</p> <p>Switch and sweep transactions</p> <ol style="list-style-type: none"> 1) 'Switch in' transactions will be considered as if they were purchase transactions and to 'Switch out' transactions will be considered as if they were repurchase transactions. 2) In case of 'Switch' transactions from one scheme to another the allocation shall be in line with redemption payouts. 3) 'Sweep' transactions will be considered as if they were purchase transactions and to 'Reverse sweep' transactions will be considered as they were repurchase transactions. <p>B. The following NAVs shall be applied for repurchase</p> <p>(i) where the application is received upto 3.00 pm –</p>
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	<p>the closing NAV of the day immediately preceding the next business day ; and</p> <p>(ii) where the application is received after 3.00 pm – the closing NAV of the next business day.</p> <p>Switch and sweep transactions</p> <p>1. 'Switch in' transactions will be considered as if they were purchase transactions and to 'Switch out' transactions will be considered as if they were repurchase transactions.</p> <p>2. In case of 'Switch' transactions from one scheme to another the allocation shall be in line with redemption payouts during the ongoing offer period.</p> <p>3. Sweep' transactions will be considered as if they were purchase transactions and to 'Reverse sweep' transactions will be considered as they were repurchase transactions.</p>
"AMFI"	Association of Mutual Funds in India.
"ARN Holder"/"AMFI registered Distributors"	Intermediary registered with Association of Mutual Funds in India (AMFI) to carry Distributors" out the business of selling and distribution of mutual fund units and having AMFI Registration Number (ARN) allotted by AMFI.
"ADRs"	American Depository Receipts.
"Beneficial Owner"	Beneficial Owner as defined in the Depositories Act, 1996 means a person whose name is recorded as such with a depository.
BSE StAR MF	Bombay Stock Exchange Platform for Allotment and Redemption of Mutual Fund (BSE StAR MF) is a platform launched by BSE to accept both physical applications and those in Demat form.
"Business Day"	<p>Any day other than a</p> <ul style="list-style-type: none"> (i) Saturday and Sunday ; (ii) a day on which the banks in Mumbai and/or RBI are closed for business/clearing ; (iii) a day on which the Bombay Stock Exchange and/or National Stock Exchange are closed ; (iv) a day which is a public and/or bank holiday at a collection centre where the application is received ; (v) a day on which sale and repurchase of units is suspended by the AMC ; (vi) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time. <p>The AMC reserves the right to declare any day as a business day or otherwise, at any or all ISC's or collection centers.</p>
"Business Hours"	Presently from 9.30 a.m to 6.30 p.m on any Business Day or such other time as may be decided by the AMC from time to time and the same may be different for different Investor Service Centers.
"Scheme Information Document"	This document issued by Sahara Mutual Fund, offering for subscription of Units to the schemes.
"Custodian"	A person who has been granted a certificate of registration to carry on the business of Custodian of Securities under the Securities and Exchange Board

	of India (Custodian of Securities) Regulations 1996, which for the time being is HDFC Bank Ltd, Mumbai.
“Debentures”	These are both convertible & non-convertible debenture. Convertible debentures are those, which are fully or partially convertible into equity shares, and non-convertible debentures are those, which cannot be converted into equity shares.
“Debt instruments”	Government Securities, Debentures, Bonds, Promissory Notes, Money Market Instruments, Pass-Through Certificate, Asset Backed Securities / Securitized Debt and other similar securities.
“Depository”	Depository as defined in the Depositories Act, 1996 (22 of 1996).
“Depository Participant / DP”	Depository Participant (DP) is an agent of the Depository who acts like an intermediary between the Depository and the investors. DP is an entity who is registered with SEBI to offer depository-related services.
“Derivative”	Derivative includes (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, or underlying securities.
“Direct Application”	<p>The following Applications will be treated as Direct Application.</p> <p>a. In case the Distributor / Broker / Agent Code is pre printed on the application form, investors (any / all in case of joint holders) must strike off the code and counter sign before submitting the application at any of the offices of the AMC / Investors Service Centres (ISCs) / Point of Acceptance (POA);</p> <p>b. In the space provided for the Distributor / Broker / Agent Code, please mention "DIRECT" or "NOT APPLICABLE". Alternatively investors can also strike off the space and countersign the same. Investors are advised in their own interest not to leave the space blank;</p> <p>c. All existing unit holders who have invested through Distributor / Broker / Agent and intend to make their future investments through a direct route, are advised to communicate the same in writing to the AMC / ISCs/ POA.</p> <p>d. Investors wishing to transfer their accumulated unit balance held under Existing schemes (through Lump Sum/Systematic Investments made with or without Distributor code) to the available Direct Option will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Option.</p>

“Direct Option”	Direct OPTION is only for investors who purchase / subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.
“Dividend”	Income distributed by the Mutual Fund on the Units.
“Entry Load” or “Sales Load”	Load on Sale / switch in of units under the schemes.
“Exit Load”	Load on Repurchase / Redemption / Switch out of Units.
“FII”	Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
First Time Mutual Fund Investor	An investor who invests for the first time in mutual fund either by way of Purchase / Subscription or Systematic Investment Plan.

“Fund / Name of the Fund/ Scheme”	Sahara Liquid Fund including the options offered under the scheme as stated in this Scheme Information Document.
“Gilts or Government Securities”	Securities created and issued by the Central Government and/or a State Government (including Treasury Bills) or Government Securities as defined in the Public Debt Act, 1944, as amended from time to time.
“Investment Management Agreement” or “IMA”	The Agreement dated July 18, 1996 and supplementary agreement entered into between Trustees of Sahara Mutual Fund (Formerly First India Mutual Fund) and the AMC, Sahara Asset Management Company Private Limited as amended from time to time.
“Investor Service Centers” or “ISCs”	Designated offices of the Mutual Fund / AMC / Registrar or such other centers / offices as may be designated by the AMC from time to time.
“Load / Repurchase load”	In the case of Repurchase / Redemption / Switch out of a Unit, the sum of money deducted from the Applicable NAV on the Repurchase / Redemption / Switch out of units.
“Money Market Instruments”	Commercial Papers, MIBOR linked instruments, Commercial Bills, Treasury Bills, Government Securities having an unexpired maturity upto one year, call, notice or term money, certificate of deposit, usance bills discounting Fund, repo / reverse repo and any other like instruments as specified from time to time by RBI.
“Mutual Fund” or “the Fund”	Sahara Mutual Fund (formerly First India Mutual Fund), a Trust set up under the provisions of Indian Trust Act, 1882 by a Trust deed dated July 18, 1996 (and amendment to Trust deeds).
“NAV” or “Net Asset Value”	Net Asset Value (NAV) per Unit of the respective options, calculated in the manner described in this Scheme Information Document, or, as may be prescribed by the SEBI Regulations from time to time.
“New Fund Offer Price” / “NFO Price”	“NFO price” is the price at which the units were sold to the investors of the respective schemes.
“NRI”	A Non-Resident Indian or a person of Indian origin residing outside India.
“Official Point of Acceptance”	Places, as specified by AMC from time to time where application for subscription / redemption / switch will be accepted on ongoing basis.
“Person of Indian Origin”	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grand parents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
“RBI”	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
“Registrar and Transfer Agent”	KARVY Computer Share (Pvt) Ltd currently acting as registrar to the Fund.
“Repo” / “Reverse Repo”	Sale / purchase of Securities as may be allowed by RBI from time to time with simultaneous agreement to

	Repurchase / resell them at a later date.
“Repurchase Price”	Repurchase or redemption price is the price or NAV at which a scheme purchases or redeems its units from the unit holders. It may include exit load, if applicable.
“Repurchase / Redemption”	Repurchase / Redemption of Units under the Fund as permitted.
“Sponsor” or “Settlor”	Sahara India Financial Corporation Limited being the settler of Sahara Mutual Fund
“Sahara AMC” or “AMC” or “Asset Management Company” or “Investment Manager”	Sahara Asset Management Company Private Limited incorporated under the provisions of the Companies Act, 1956 and approved by Securities and Exchange Board of India (SEBI), to act as the Asset Management Company for the scheme(s) of Sahara Mutual Fund.
“Sale / Subscription”	Sale or Allotment of Units to the Unit holder upon subscription by the investor / applicant under the Fund.
“Scheme Information Document”/“SID”	This document issued by Sahara Mutual Fund, offering Units of the schemes of Sahara Mutual Fund for subscription of units. The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing.
“SEBI”	The Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
“SEBI Regulations” or “Regulations”	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time and shall also include any Mutual Fund Regulations, Circulars, Press Releases or Notifications that may be issued by SEBI or the Government of India to regulate the activities and growth of Mutual funds.
“Statement of Additional Information”/“SAI”	This document contains details of Sahara Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).
“Switch”	Redemption of a unit in Fund (including the option therein) of the Mutual Fund against purchase of a unit in another Fund (including the options therein) of the Mutual Fund, subject to applicable terms and conditions.
Transaction Charge(s)	A charge that would be deducted from the subscription money received from an investor, investing through a distributor who has exercised the option to levy such charge.
“Trust Deed”	The Trust deed dated July 18, 1996 including amendments made from time to time between the Sponsor and Sahara Mutual Fund (Formerly First India Mutual Fund), thereby establishing an irrecoverable Trust, called Sahara Mutual Fund.
“Unit”	The interest of the Unit holder, with each Unit representing one undivided share in the assets of the Fund.
“Unit holder” or “Investor”	A participant / person holding Units in the Fund offered under this Scheme Information Document.

INTERPRETATION

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:

- the terms defined in this Scheme Information Document, include the plural as well as the singular.
- pronouns having a masculine or feminine gender shall be deemed to include the other.
- all references to “dollars” or “\$” or “USD” refer to United States Dollars and “Rs” refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.
- Words and expressions used herein but defined in SEBI Act, 1992 or the SEBI (Mutual Funds) Regulations, 1996 shall have the meanings respectively assigned to them therein.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

The Asset Management Company shall confirm that a Due Diligence Certificate duly signed by the Compliance Officer of the Asset Management Company submitted to SEBI, reads as follows:

It is confirmed that:

(i) The Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) all legal requirements connected with the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.

(iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Place: Mumbai
Date: 27th June, 2016

Name: Sudhir R Kaup
Designation: Compliance Officer

Note: SEBI order dated 28th July, 2015 directing cancellation of “Certificate of Registration” of Sahara Mutual Fund and its reference has been stated at appropriate places in this SID for the information of the unit holders/investors.

III. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

Sahara Liquid Fund	An Open ended Liquid Fund
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Name of the Scheme	Option	Sub Option
Sahara Liquid Fund	Variable Pricing Option	(i) Dividend Reinvestment Daily / Weekly/ Monthly/ Monthly payout
		(ii) Growth Option
	Fixed Pricing Option	(i) Dividend Reinvestment Daily / Weekly/ Monthly/ Monthly payout
		(ii) Growth Option
	Variable Pricing Option - Direct	(i) Dividend Reinvestment Daily / Weekly/ Monthly/ Monthly payout
		(ii) Growth Option
	Fixed Pricing Option - Direct	(i) Dividend Reinvestment Daily / Weekly/ Monthly/ Monthly payout
		(ii) Growth Option

The default option would be Fixed Pricing Option – Dividend Re-investment Option -daily

All options offered under the scheme have the provision for the DIRECT Options.

Portfolio of the Scheme under the Existing Options and Direct Options will be common.

The treatment of applications under "Direct" / "Regular" Plans, shall be as follows:

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

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

B. INVESTMENT OBJECTIVE OF THE SCHEME

Sahara Liquid Fund	The investment objective is to create a highly liquid portfolio of good quality debt as well as money market instruments with a view to provide high liquidity and reasonable returns to the unit holders, while at all times emphasizing the importance of capital preservation.
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C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Sahara Liquid Fund	Type of instruments	Normal Allocation (% of net assets)			Risk Profile
		Min	Like around	Max	
	Debt & Debt Related Instruments (including securitized debt) **	0	30	75	Low to Medium
	Money Market Instruments (including cash/ repo, Term or notice money but excluding subscription and redemption cash flow)	25	70	100	Low or Sovereign

** Securitised debt would be upto a maximum of 20% of the net assets (Subscription cash flow is the subscription money in transit before deployment and redemption cash flow is the money kept aside for meeting redemptions)

Investments in Derivatives would be as per SEBI guidelines circulars issued from time to time.

Investments in Foreign securities would be in line with SEBI guidelines issued from time to time.

“If permitted by SEBI under extant regulations / guidelines, the scheme may also engage in securities lending”.

(in such a case Stock lending may be upto 50% of the net assets of the scheme. In addition, stock lending to any single party would not exceed 10% of the net assets of the scheme).

The AMC, may, consistent with SEBI guidelines, from time to time, pending investment in securities for a short term period on defensive consideration invest upto 100% of the funds in money market instruments, the primary motive being to protect the Net Asset Value of the Scheme and protect unit holders interest so also to earn reasonable return on liquid funds maintained for redemption/repurchase of units.

Note:-The asset allocation shown above is indicative and may be altered from time to time for a short term period on defensive considerations. Notwithstanding the forgoing, the Trustee may from time to time at its absolute discretion review and modify the investment strategy provided such modification is in accordance with the SEBI Regulations.

D. WHERE WILL THE SCHEME INVEST?

- **Sahara Liquid Fund.**

The scheme will aim to invest its assets in a portfolio of debt instruments comprising of non-convertible debentures , bonds, secured premium notes , zero interest bonds, deep discount bonds, floating rate bonds/ notes, securitized debt, pass –through certificates , asset securities , mortgage backed securities and any other domestic fixed income securities including and include but is not restricted to:

- 1) Debt obligations of Government of India, State and Local governments, government agencies and statutory bodies (which may or may not carry a State / Central Government guarantee).
- 2) Securities guaranteed by Government of India and State government
- 3) Securities issued by public / private corporate entities.
- 4) Securities issued by public / private sector banks, financial institutions

The scheme may also invest in Money Market instruments including, but not restricted to commercial papers, commercial bill, treasury bills, government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, permitted securities under a repo/ reverse repo agreement, asset backed securities, pass through certificates, Mortgage backed securities, and any other such instruments as may be permitted by RBI/SEBI from time to time.

Investments will be made through secondary market purchase, initial public offers, other public offers, placements, rights offers (including renunciation) and negotiated deals and such securities may be listed, unlisted, privately placed, secured / unsecured, rated / unrated of any maturity. As mentioned elsewhere in this Scheme Information Document the AMC retains the flexibility to invest across all the securities /instruments in debt and money markets

Investment Strategy: Debt

The investment strategy is built around the stated investment objectives of each scheme, the applicable investment restrictions and to include dynamic changes in the macro factors. The review is done on a regular basis so as to adjust it to the changing factors. High rated instruments having adequate liquidity and proper diversification are important parameters to manage the portfolios. Comparison with benchmark, analysis of investors profile and regular review of portfolio returns forms an integral part of the investment strategy.

Risk Mitigation Factors: Risk management is a key feature in fund management and schemes of Sahara Mutual Fund adhere to various internal and external guidelines (SEBI) stipulated under the risk management aspect of fund management. Risk Mitigation involves minimizing the risks while the schemes earn optimal returns for investors. The various risk mitigation measure adopted by our schemes include strict adhering to restrictions on investment in a specific security following prudent norms on diversification, setting restrictions on investing in unlisted equity shares, avoiding undue concentration of exposure.

In the case of Debt funds, besides the above, the endeavor is always to invest in high rated debt instruments, so as to minimize the default risk. The focus is to have high liquidity in the portfolio, consistent with the objective of each fund, so as to reduce / eliminate the cost of illiquidity.

The scheme(s) will endeavor to maintain a consistent performance while considering a balance between safety, liquidity and profitability aspects of various instruments and try to achieve an optimal risk return balance for management of debt and money market securities.

Investment decisions will be taken on the basis of the following parameters.

1. Prevailing interest rate scenario.
2. Liquidity of the security
3. Quality of the security / instrument
4. Maturity profile of the instrument.
5. Growth Prospects of the company / industry.

The scheme(s) may aim to invest its assets in a portfolio of debt instruments comprising of securitized debt, non-convertible debentures, bonds, secured premium notes, zero interest bonds, pass-through certificates, asset securities, mortgage backed securities and any other domestic income securities etc., and include, but is not restricted to:

- Debt obligations of Government of India, State and Local governments, government agencies and statutory bodies (which may or may not carry a State/Central government guarantee).
- Securities guaranteed by Government of India and state government.
- Securities issued by public/private corporate entities

- Securities issued by public/private sector banks, financial institutions

The scheme(s) will endeavor to minimise interest rate risk. Fixed interest rate securities are subjected to volatility in price movements corresponding to movements in interest rates.

The Scheme(s) will also invest in Money Market Instruments including, but not restricted to, commercial papers, commercial bills, treasury bills, government securities having an unexpired maturity upto one year, certificate of deposit, usance bills, permitted securities under a repo/reverse repo agreement, Asset Backed Securities, Pass Through Certificates, Mortgage Backed Securities etc. and any other such instruments as may be permitted by SEBI from time to time. These instruments may carry fixed rate of return or floating rate of return or may be issued on discount basis.

Investments will be made through secondary market purchases, initial public offers, other public offers, placements, rights offers (including renunciation) and negotiated deals and such securities may be listed, unlisted, privately placed, secured/unsecured, rated/unrated of any maturity. As mentioned else where in this Scheme Information Document the AMC retains the flexibility to invest across in all the securities/instruments in debt and money markets.

Debt market in India is emerging as a vibrant market especially in the contest of volume, scope, transparency, product diversification. The different categories of product traded are Government bonds, treasury bills, corporate bonds, structured products, commercial papers and certificate of deposit, securitized instruments, derivatives of interest rates and OIS swap CDS etc. The process, procedure for trading, settlement, valuation, obligation are well defined and well established. RBI has introduced NDSOM for the trading and settlement of G-Sec, while platform like CCIL's CBLO trading system, repo trading system, are quite robust for overnight to term lending. Recently steps has been taken to introduce trading and settlement system for corporate bonds and other corporate securities. The introduction of FIMMDA backed FTRAC platform for matching and conformation of trades is a step toward more robust and transparent corporate bond trading. Bond markets have seen vibrancy also in terms of volume and participation. On the one hand FII exposure in Government Bonds and Corporate Bonds has been raised and on the other the volume of capital raised through private placements and primary market of corporate bond has seen great rise in last couple of years. Securitization market and derivative segment has also seen rising interest and participation. Banks both foreign and Indian, Insurance companies, Mutual Funds, PF funds, FIIs, and corporate are major investors. Indian bond market is well governed and regulated. RBI, SEBI, IRDA, has been framing progressive rules and hence directing bond market toward vibrant, transparent, prudent and secured bond market. The main risk associated with the debt market are, credit risk, interest rate risk, and liquidity risk.

The following table gives approximate yields prevailing during the month of May 2016 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy.

ISSUER	INSTRUMENTS	MATURITY	YIELDS (%)
GOI	Treasury Bill	91 days	6.81%
GOI	Treasury Bill	364 days	6.93%
GOI	Long -Dated	5-10 years	7.34%-7.45%
BANKS	CDs	3 months -1 year	7.33%-7.55%
CORPORATES	Bonds(AAA)	5-10 years	8.08%-8.14%
CORPORATES	CPs	3 months – 1 year	7.50%-9.00%

Source: CCIL, RBI WEBSITE

Investments made from the corpus of the Scheme/s would be in conformity with the features of the Scheme and the provisions of the SEBI Regulations. The AMC will endeavor to make a risk assessment of the potential investment in terms of credit risks, interest rate risks and liquidity risks. The credit risks analyses would involve an assessment of the past track record, present and future prospects for the company, the industry to which it belongs, the future cash flows from operations and its requirement for additional capital expenditure. Analysis of the interest rate scenario would be

carried out on an ongoing basis, considering the impact of the developments on the macro economic front and the demand and supply of funds.

The AMC would, based on the above analysis, strive to manage the investments of the scheme on a dynamic basis with a view to exploit emerging opportunities. The AMC will also as an input in its decision making process, utilize ratings of recognized rating agencies. Investments in bonds and debenture will usually be made in instruments that have been assigned high investment grade ratings by a recognized rating agency. In case of an investment in an unrated debt instrument, prior approval of the Trustees and Board of Directors of the AMC would be obtained. The AMC will make efforts to reduce liquidity risk by investing in securities that would result in a staggered maturity profile of the portfolio, that provide easy liquidity and securities that have reasonable secondary market activity.

Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.

All the investment restrictions as contained in the Seventh Schedule to SEBI (Mutual Funds) Regulations, 1996 would be applicable to the scheme(s).

The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time. The above strategies are not exclusive. The Fund Manager may employ any of the possible derivatives strategy within the guidelines applicable from time to time.

E. INVESTMENT STRATEGIES AND APPROACH

The Fund Manager in accordance with the policies formulated by the Investment Committee handles the day-to-day investment management. The focus of the Fund Manager is to ensure that the objectives of each Fund are kept foremost whilst taking decisions regarding asset allocation and selection.

Careful attention is at all times paid to SEBI guidelines regarding restriction on investments / investment limits as prescribed from time to time. These restrictions relate to single company / group investments, investments in associate companies, investments in unrated debt instruments etc. Typically, wherever any investment in unrated paper is involved, prior approval of the Trustees and the Board of the AMC is sought.

There is a daily meeting of the Fund Management Team which discusses issues on the various information available. The research analysts give their inputs. These meetings help the fund manager in taking investment decisions.

The Fund Manager relies extensively on research provided by external agencies that are used to formulate a view on the likely trends and impact on the markets. This is supplemented by in-house research.

The hierarchical structure is typically vertical, with the Fund Manager reporting to the Chief Executive Officer.

The Board of Directors of the AMC and the Trustees are presented regular reports on the portfolio performance on a stand-alone basis as well as a comparison with relevant benchmarks and with peer group from the industry.

Based on a comprehensive review of credit, macro economic factors, external and internal inputs, the Investment Committee decide the portfolio balance to arrive at a suitable mix of risk and return. The key objective is to optimize returns vis-à-vis risk.

Depending on the needs, derivatives may be used with a view to minimizing risk and protecting the returns of the portfolio.

The buy/sell decisions would be recorded by the fund manager in the form of a Fund wise requisition slips keeping in mind the investment objectives, investment restrictions and the applicable guidelines. These sheets would contain details such as quantity of scrip/security, indicative price, reasons for buy/sell etc. The requisition slip would be sent to the Dealers for execution.

The risk manager/ mid office would review all buying and selling transactions to check that they are inline with the stated fund objectives, investment restrictions, stipulated guidelines and suggest corrective action to the fund manager wherever required. It would also check the portfolio risks periodically and suggests corrective action wherever required.

The Fund Manager shall review the portfolio on a daily basis, in conjunction with the expected cash flows in to and out of the various Funds and in line with the investment objectives and guidelines.

The complete portfolio statement elaborating classifications, limits and valuations would be placed for scrutiny before the Trustees and the Board of Directors of the AMC at their meetings, which would be typically at least bimonthly / once in a quarter.

The scheme intends to use derivatives for purposes that may be permitted by SEBI Mutual Fund regulations from time to time.

• **TRADING IN DERIVATIVES**

Debt Derivatives

In terms of Circular No. MFD.BC.191/07.01.279/1999-2000 and MPD.BC.187/07.01.279/1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by Reserve Bank of India permitting participation by Mutual Funds in Interest Rate Swaps and Forward Rate Agreements, the Fund will use derivative instruments for the purpose of hedging and portfolio balancing. The AMC would undertake the same for similar purposes only.

Interest Rate Swaps (IRS)

An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while the other receives a floating (variable) rate of interest.

Forward Rate Agreement (FRA)

A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

Investors can benefit if the fund remains invested in liquid assets for the sake of maintaining liquidity and at the same time take advantage of potentially higher rates by entering into a swap transaction. An illustration of the same is given below:

EXAMPLE OF A DERIVATIVES TRANSACTION

(a) Basic Structure Of A Swap

Bank A has a 6 month Rs.10 crore liability, currently being deployed in call. Bank B has a Rs.10 crore 6 month asset, being funded through call. Both banks are running an interest rate risk.

To hedge this interest rate risk, they can enter into a 6 month MIBOR (Mumbai Inter Bank Offered Rate) swap. Through this swap, A will receive a fixed preagreed rate (say 7%) and pay "call" on the NSE MIBOR ("the benchmark rate"). Bank A's paying at "call" on the benchmark rate will neutralise the interest rate risk of lending in call. B will pay 7% and receive interest at the benchmark rate. Bank A's receiving of "call" on the benchmark rate will neutralise his interest rate risk arising from his call borrowing.

The mechanism is as follows:

- Assume the swap is for Rs.10 crore from March 1, 2007 to September 1, 2007. A is a fixed rate receiver at 7% and B is a floating rate receiver at the overnight compounded rate.
- On March 1, 2007 A and B will exchange only an agreement of having entered this swap. This documentation would be as per International Swaps and Derivatives Association (ISDA).

- On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On September 1, 2007 they will calculate the following:
- A is entitled to receive interest on Rs.10 crore at 7% for 184 days i.e. Rs.35.28 lakh, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- B is entitled to receive daily compounded call rate for 184 days & pay 7% fixed.
- On September 1, 2007, if the total interest on the daily overnight compounded benchmark rate is higher than Rs.35.28 lakhs, A will pay B the difference. If the daily compounded benchmark rate is lower, then B will pay A the difference.
- Effectively Bank A earns interest at the rate of 7% p.a. for six months without lending money for 6 months fixed, while Bank B pays interest @ 7% p.a. for 6 months on Rs. 10 crore, without borrowing for 6 months fixed.

(b) Illustration for swap transaction

A swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. The mechanics of a plain vanilla interest rate swap are as follows:

Assume there are two interested parties, Party A and Party B. Party A may agree to pay a fixed rate of interest on a notional amount of say Rs.100 crores to party B in exchange for a floating rate on the same notional amount. Party A therefore agrees to "pay-fixed" and "receive floating" while Party B agrees to "receive fixed" and "pay floating". The swap agreement specifies the period of time over which the periodic interest payments will be made. This period is known as the tenor of the swap. The principal amount or the "notional amount" is usually not exchanged. The documentation involved is known as the ISDA (International Swap Dealers Association) documentation.

The following example shows the cash flow streams in the case of a plain vanilla interest rate swap. Assume that the notional amount is Rs.100 crores and Party A agrees to pay fixed rate at 9% and receive floating. Further assume that the floating rate benchmark is the daily Mumbai Inter-Bank Offer Rate (MIBOR). The tenor of the swap is assumed to be 10 days.

	MIBOR	Party A receives	Party A pays	Net Cash flow for Party A	Party B receives	Party B Pays	Net cash flow for Party B
Day 1	7.00%	191780.82	246575.34	- 54794.52	246575.34	191780.82	54794.52
Day 2	8.00%	219178.08	246575.34	- 27397.26	246575.34	219178.08	27397.26
Day 3	7.50%	205479.45	246575.34	- 41095.89	246575.34	205479.45	41095.89
Day 4	9.00%	246575.34	246575.34	0.00	246575.34	246575.34	0.00
Day 5	9.50%	260273.97	246575.34	13698.63	246575.34	260273.97	- 13698.63
Day 6	9.25%	253424.66	246575.34	6849.32	246575.34	253424.66	- 6849.32
Day 7	10.00%	273972.60	246575.34	27397.26	246575.34	273972.60	- 27397.26
Day 7	6.00%	164383.56	246575.34	- 82191.78	246575.34	164383.56	82191.78
Day 8	7.00%	191780.82	246575.34	- 54794.52	246575.34	191780.82	54794.52
Day 9	6.00%	164383.56	246575.34	- 82191.78	246575.34	164383.56	82191.78
Day 10	6.00%	164383.56	246575.34	- 82191.78	246575.34	164383.56	82191.78

The cash flows are exchanged on a daily basis. In practice, however, only the net cash flows are exchanged.

Please note the above example is given for illustration purposes and actual returns may vary depending on the terms of swap and market conditions.

Depending on the circumstances, the Fund may assume the role of Party A or party B in the above illustration and hedge its risks.

The risk factors involved in transactions of swaps/forward rate agreements are as follows:

1. Counterparty risk. Since the swap agreement is between two counterparties there is a counterparty risk. The risk is however reduced because the notional principal amounts are not

exchanged. Only the difference in the interest amounts on the notional principal amount is exchanged.

2. Interest rate risk. If the Fund were to pay floating and receive fixed, and if the floating rate were to average more than the fixed rate, then the Fund would have a net payout. However to the extent that the Fund also participates in the call money market there is a natural hedge.
3. There can be a difference in the rate at which the Fund lends in the call money market and the benchmark-floating rate.

In the case of the fund receiving fixed and paying floating, the returns to the Investor are limited in case of a sharp move up in the rates. The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.

The proportion of funds to be so invested would be decided by the Asset Management Company at the appropriate time and would be done in accordance with the relevant guidelines to be issued by SEBI and other authorities. The AMC also reserves the right to change the strategy with respect to trading in derivatives from time to time.

The use of derivative instruments will enable the fund to manage risk and return. They can be used as efficient, low cost tools to alter the risk and return characteristics of the portfolio. Such instruments would carry certain risks like basis point risk and counter party risk. It is possible that the risk that is expected to be hedged may not materialise, in which case, the cost incurred on hedging the same would not have served the required purpose.

E.g. Interest rate swaps may be used to hedge interest rate risks. If a Fund Manager is of the view that interest rates will undergo a change, he may use Interest Rate Swaps (IRS) to convert his fixed interest liability into floating interest liability or vice versa.

It is frequently observed that the use of derivative instruments can improve the risk return profile of the scheme. Using derivatives, it is frequently possible to increase yields while keeping interest rate risk constant or to reduce interest rate risk while keeping the yield constant. For example, let us assume that company A is issuing MIBOR linked bonds at NSE MIBOR + 0.20% and 90 day commercial paper at 5.75%. If the 90 day overnight indexed swap (pl refer to illustration) is being quoted at 5.25% – 5.50%, it is possible for the Scheme to buy the commercial paper issued by company A, pay the Overnight Indexed Swap rate of 5.50% and create a synthetic MIBOR linked instrument carrying a rate of MIBOR + 0.25%. This is illustrated below,

When the scheme buys the commercial paper, it earns an yield of 5.75% for 90 days. Subsequently, the scheme enters into a derivatives contract for a period of 90 days under which it pays a fixed rate of 5.50% and receives the NSE MIBOR rate every day. Therefore,

Fixed rate received from CP investment – 5.75%
Fixed rate payable under derivative contract – 5.50%
Net fixed rate receivable – (5.75% - 5.50%) = 0.25%
In addition, floating rate receivable under derivative contract – NSE MIBOR

Total receivable = NSE MIBOR + 0.25%

This example is only illustrative in nature and representative of the many ways in which the scheme may derive a benefit through investments in derivative instruments.

- **PORTFOLIO TURNOVER**

The portfolio turnover is defined as the aggregate of purchase and sales as a percentage of the corpus of the scheme during a specified period of time.

The fund while at all times emphasizing a long term investment approach will also undertake trading with a view to booking short term profits depending on market conditions. The overall portfolio turnover rate is expected to be around 100% for the portfolio so as to achieve the optimum balance between long term investing and short term profits booking so as to enable portfolio restructuring when warranted.

The portfolio turnover rate as indicated above is only an indication of the scheme's potential performance in the market environment existing as of the date of this document based on the investment objective and policies of the schemes and as such there is no guarantee that this portfolio

turnover rate can be achieved. The expected spreads of the securities are based on the current yields/ maturity values of the instruments, which may change from time to time depending upon the factors affecting capital markets such as price and volume, volatility in the stock markets, interest rates, currency exchange rates, foreign investments, changes in Government and Reserve Bank of India policy, taxation, political, economic or other developments and closure of the stock exchanges.

- **Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors), along with a website link to obtain scheme's latest monthly portfolio holding**

Name of the Instrument	Rating	Mkt Value (Rs. In lakhs)	% of NAV
1. Equity & Equity Related			
(a) Listed / awaiting listing on Stock Exchanges		Nil	Nil
(b) Unlisted		Nil	Nil
2. Debt Instruments			
(a) Listed			
Bonds		Nil	Nil
(b) Privately Placed / Unlisted			
Floating Rate NCDs		Nil	Nil
3. Money Market Instruments			
364 DAYS T BILL 07-07-2016	SOV	1490.05	28.21%
364 DAYS T BILL 09-06-2016	SOV	499.30	9.45%
91 DAYS T BILL 27-06-2016	SOV	2986.07	56.54%
4. Securitised Debt Instruments			
		0.00	Nil
5. Others - Short Term Deposits			
6.00% HDFC BANK LTD FD MAT : 01-06-2016		100.00	1.89%
6.00% HDFC BANK LTD FD MAT : 07-06-2016		180.00	3.41%
6. Cash Receivables			
		26.19	0.50%
Total		5281.62	100.00%

Average Portfolio Maturity (Days)-27 days

The complete and latest portfolio can be obtained from the website of the AMC www.saharamutual.com.

- **Additional Disclosures**

Name of Directors	Investment in Sahara Liquid Fund as on 31/05/2016
O P Srivastava	Nil
R M Joshi	Nil

Name of Key Personnel	Designation	Investment in Sahara Liquid Fund as on 31/05/2016 (Rs)
Sudhir Kaup	Compliance Officer	Nil
Vidya Manjrekar	Head - Operations	4896989.96
Manish Jaitley	Fund Manager - Debt	Nil
Arun Shinde	Dy Manager – Investor Relations	Nil
Rahul Jadhav	Dealer - Debt	Nil
Shivam Miranka	Dealer - Equity	Nil

F: FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) **Type of a scheme:** Refer as stated on page 20 of the Scheme Information Document.

(ii) **Investment Objective:** Refer as stated on page 3, 21 of the Scheme Information Document.

(iii) Terms of Issue

Listing :Not applicable.

Repurchase:

(i) Redemption of Units:

The Scheme provides investors a high degree of liquidity. Units are available for redemption on any business day on an ongoing basis at NAV related price subject to prevailing Load, if any. The redemption cheques will be dispatched to the unit holders within 10 working days from the date of redemption or repurchase.

(ii) Repurchase price:

Please refer to the section titled “ Applicable NAV” .The redemption will be at NAV based prices subject to an exit load, if any.

(iii) Payment of repurchase proceeds:

Please also refer to section titled as “Suspension of Repurchase / Switching Options of the Units” in the SAI. As per the SEBI Regulations, the Mutual Fund shall dispatch repurchase proceeds within 10 working days from the date of redemption or repurchase requests. The Mutual Fund will, under normal circumstances, endeavor to dispatch redemption proceeds on T+1 basis from receipt of valid request for redemption. “If the payment is not made within the period stipulated in the regulations, unit holder shall be paid interest @15% per annum for the delayed period”.

Aggregate fees and expenses charged to the scheme – please refer to page Number 60

Any safety net or guarantee provided. Not applicable for the scheme.

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

The trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unit holders, shall be carried out unless,—

- (i) a written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the mutual fund is situated; and
- (ii) the unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.]

G. BENCHMARK OF THE SCHEME.

SAHARA Liquid Fund

CRISIL LIQUID FUND Index

H. FUND MANAGER FOR THE SCHEME

Mr Manish Jaitley, aged 45 years has more than 19 years of experience in the Debt segment

The fund manager has been managing the scheme since the last one year.

The Fund Manager's aggregate investment in the scheme: Nil as on May 31, 2016

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996, the following investment restrictions are applicable:

1. The mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company:

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations:

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board:

2. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if, -

(a) such transfers are done at the prevailing market price for quoted instruments on spot basis. [Explanation - "spot basis" shall have same meaning as specified by stock exchange for spot transactions.]

(b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

4. A scheme shall invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund. ["Provided that this clause shall not apply to any fund of funds scheme.]

5. The mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that the mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:

[Provided further that the mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.]

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.]

6. The mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.

7. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, the mutual fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board.”

In line with SEBI Circular SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007:

* Total investment of the Scheme in Short term deposit(s) of all the Scheduled Commercial Banks put together shall not exceed 15% of the net assets. However, this limit can be raised upto 20% of the net assets with prior approval of the trustees. Further, investments in Short Term Deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.

* Scheme shall not invest more than 10% of the net assets in short term deposit(s), of any one scheduled commercial bank including its subsidiaries.

* Scheme shall not invest in short term deposit of a bank which has invested in that Scheme.

The Asset Management Company (AMC) shall not be permitted to charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks in case of liquid and debt oriented Schemes.

8. The mutual fund [scheme] shall not make any investment in;

(a) any unlisted security of an associate or group company of the sponsor; or

(b) any security issued by way of private placement by an associate or group company of the sponsor; or

(c) the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

- Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified in the Seventh schedule to the Regulations.

All investment restrictions shall be applicable at the time of making investment.

The aforesaid requirement forms part of the investment allocation pattern. Any deviation from these requirements shall be viewed as violation of investment restrictions.

The AMC may alter these above stated restrictions from time to time to the extent the SEBI Regulations change, so as to permit the respective Scheme/s to make its investments in the full spectrum of permitted investments for Mutual Funds to achieve its investment objective. The Trustees may from time to time alter these restrictions in conformity with the SEBI Regulations.

J. PERFORMANCE OF THE SCHEME.

The performance of the scheme is as on 31/05/2016.

SAHARA Liquid Fund

Annualized Returns	Scheme Returns % (VPO / FPO)	CNX 500 %
Returns for the last 1 year	6.82/6.52	7.89
Returns for the last 3 years	7.89/7.65	8.77
Returns for the last 5 years	8.37/8.21	8.62
Returns since inception (01/09/2005)	7.80/7.13	7.46/NA***

*** base date of index being 31/3/2016

{Absolute returns for each financial year is represented by means of a bar diagram}

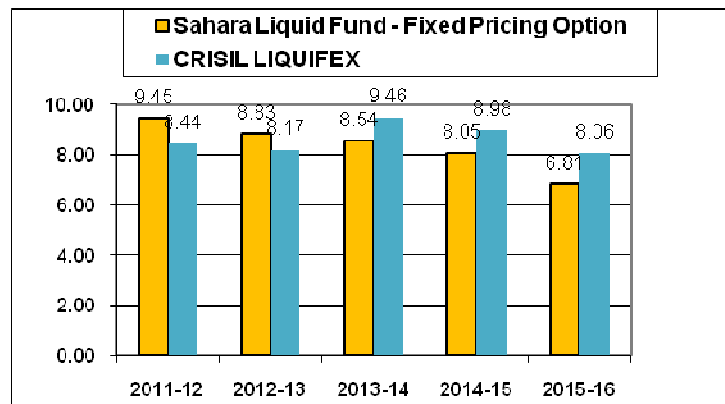
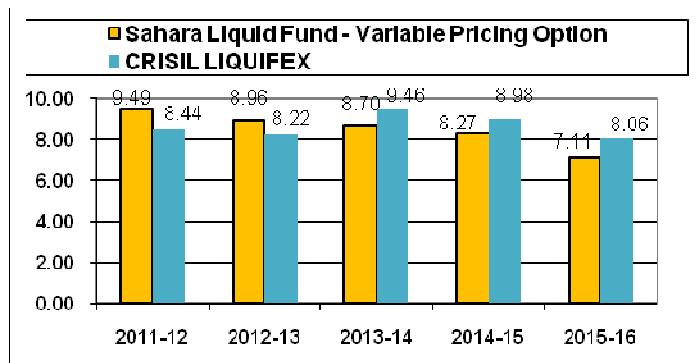


ILLUSTRATION : IMPACT OF EXPENSE RATIO ON SCHEME'S RETURNS		
Particulars	31 Mar 2016 With Exps chgd	31 Mar 2016 With less Exps chgd
EXPS RATIO :	0.40%	0.30%
Income		
Capital		
- Unit Capital	30000000	30000000
Reserves		
- Distribution Equalisation	10000000	10000000
- General Reserve	20000000	20000000
- Unit Premium Reserve	10000000	10000000
	40000000	40000000
Appre/Depre		
- Unrealised Gain/(Loss)	300000	300000
Income		
- Accretion of Discount	6000000	6000000
- Dividend Income-Tax Exempt	0.00	0.00
- Interest Income - REPO	400000	400000
- Load Income on Redemption	0.00	0.00
- Profit on Sale of Investments - Market	0.00	0.00
	6400000	6400000
Expenditure		
Expenses		
- Loss on Sale of Investments - Market	0.00	0.00
- Scheme Expenses	(61000)	(38000)
- Investor Education Fees - Plan	(15000)	(15000)
- Management Fees - Plan	(230000)	(176000)
- ST on Management Fees - Plan	(34500)	(26400)
	(340500)	(255400)
Total Net Asset Value	76359500	76444600
Total Units In Circulation	30000	30000
Net Asset Value Per Unit	2545.3167	2548.1533
SUPPOSE NAV AS ON 31.03.2015	2375.2000	2377.5000
1 YEAR RETURN :	7.16%	7.18%

The example given above with different expense ratios is purely hypothetical in nature and is intended to give a general idea on the impact of expense ratio on the schemes.

IV. UNITS AND OFFER

This section provides details you need to know for investing in the schemes.

A. ONGOING OFFER DETAILS

i. Ongoing Offer Period:

Continuous offer of units opened on

Sahara Liquid Fund	20 th February, 2002
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<p>ii. Ongoing price for subscription (purchase) / switch-in (from other schemes/plans of the mutual fund) by investors.</p>	<p>In line with SEBI circular dated June 30, 2009, there shall be no entry load for mutual fund schemes. Accordingly the entry load for the schemes of Sahara Mutual Fund is NIL.</p> <p>Transaction charges: The Fund shall deduct Transaction Charges on purchase/ subscription received from first time mutual fund investor and investor/s other than first time mutual fund investor, whose application is routed through distributor / agent who have “Opted in” for Transaction charges.</p> <p>(i) First time Mutual Fund Investor (Across Mutual Fund Industry): Transaction charges of Rs.150/- for subscription of Rs.10,000/- and above shall be deducted from the subscription amount and paid to the Distributor/ Agent of the first time Investor and the balance amount shall be invested.</p> <p>(ii) Investor other than First Time Mutual Fund Investor: Transaction charge of Rs.100/- per subscription of Rs.10,000/- and above will be deducted from the subscription amount and paid to the distributor/agent of the investor and the balance shall be invested.</p> <p>(iii) For SIP: Transaction charges in case of investments through Systematic Investment Plan (SIP) shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs.10,000/- or more. The Transaction Charges shall be deducted in 4 installments.</p> <p>(iv) Transaction charges shall not be deducted for: (a) Purchases /subscriptions for an amount less than Rs.10,000/- (b)Transaction other than purchases/subscriptions relating to new inflows such as Switch/STP/SWP/STP etc. (c) Purchases/subscriptions made directly with the Fund (i.e. not through any distributor/ agent). (d) Transactions carried out through stock exchange mechanism.</p>
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	Distributors shall have also the option to either opt in or opt out of levying transaction charge based on type of the schemes offered.
<p>iii. Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</p> <p>This is the price you will receive for redemptions/switch outs. <i>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:</i> $Rs. 10 * (1 - 0.02) = Rs. 9.80$</p>	<p>At the applicable NAV subject to prevailing exit loads.</p> <p>Investors wishing to transfer their accumulated unit balance held under Existing schemes (through lump sum/systematic investments made with or without Distributor code) to the available Direct Option will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Option.</p> <p>Switch of investments from options under the existing schemes to Direct Options shall be subject to applicable exit load, if any. However, no exit load shall be levied in case of switches from direct option to options under the Existing schemes.</p>
<p>iv. Cut-off timing for subscriptions / redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	Please refer to the paragraph on "Applicable NAV" in the Definitions on page 12 of the SID.
<p>v. Where can the applications for purchase/redemption switches be submitted?</p>	Please refer towards the last pages of the SID for details.
<p>vi. Bank Details</p>	<p>In order to protect the interest of Unit holders from fraudulent encashment of cheques, the current SEBI Regulations, has made it mandatory for investors to mention in their Application / Redemption request, their bank name and account number.</p> <p>An investor can register up to five bank accounts for a folio with the Fund to receive the redemption/dividend proceeds choosing one of these accounts as the preferred bank account. Non-individuals can register upto 10 different bank accounts for a folio. The Unit Holder may choose to receive the redemption/dividend proceeds in any of the bank accounts, the details of which are registered under the facility by specifying the same in the 'Service Request Form in the Statement of Account/Bank account Registration</p>

	Form'. However, where a Unit Holder does not specify the same, the default option would be to credit the redemption/dividend proceeds to the bank account chosen as the preferred bank account. AMC/RTA shall adopt the same process of verification for above registration as is applicable for a change in bank mandate as per guidelines issued from time to time.
vii. Minimum amount for purchase/redemption/switches	
Scheme Name	Minimum Application Amount
Sahara Liquid Plus Fund	Rs.1000/- and additional investments in multiples of Re.1/- thereafter.
Scheme Name	Minimum Redemption
Sahara Wealth Plus Fund	Rs.1000/- and in multiples of Re.1/- thereafter
viii. Minimum balance to be maintained and consequences of non maintenance.	The Repurchase / Switch would be permitted to the extent of credit balance in the Unit holder's account. The Repurchase / Switch request can be made by specifying the rupee amount or by specifying the number of Units of the respective Plans to be Repurchased. If a Repurchase / Switch request is for both, a specified rupee amount and a specified number of Units of the respective Plans, the specified number of Units will be considered the definitive request. If only the Repurchase / Switch amount is specified by the Unit holder, the AMC will divide the Repurchase / Switch amount so specified by the Repurchase Price to arrive at the number of Units. The request for Repurchase / Switch of Units could also be in fractions, up to four decimal places. The minimum amount of Repurchase / Switch may be changed in future by the AMC. If the balance in the account of the Unit holder does not cover the amount of Repurchase request, then the Mutual Fund is authorized to close the account of the Unit holder and send the entire such (lesser) balance to the Unit holder.

ix. SPECIAL PRODUCTS

1) SYSTEMATIC INVESTMENT PLAN FACILITY (SIP)

a) ECS / DIRECT DEBIT FACILITY / POST DATED CHEQUES.

Investors can enroll themselves for SIP through Registration Cum Mandate Form for ECS/ Direct Debit Facility or post dated cheques under the following schemes.

Debt Scheme	Monthly SIP	Quarterly SIP
Sahara Liquid Fund	5 post dated cheques for a minimum of Rs.2000/ each	4 post dated cheques for a minimum of Rs.2500/- each

The minimum number of installments under Monthly SIP would be six (6) and under quarterly SIP would be four(4).The SIP installment dates will be 5th/15th/25th of every month and drawn in favor of the scheme and crossed "Account Payee only". The entry into SIP can be on any date.

A Unit holder should note that the market value of the Scheme(s) units is subject to fluctuation. Before going in for the Systematic Investment Plan, the unit holder should keep in mind that such a plan does not assure a profit or protect against a loss.

b) Load structure under Systematic Investment Plan (SIP) :

For debt schemes: For SIP /STP Investments Entry Load: Nil; Exit Load: As per normal exit load

The minimum amount needed for the Systematic Investment Plan may be altered from time to time at the discretion of the AMC.

c) Investments through systematic routes: Investments under the existing options of the schemes would have to give written requests in case they wish to switch their units into the DIRECT Option/s.

2) SYSTEMATIC WITHDRAWAL PLAN (SWP)

Monthly SWP : minimum of Rs.500/-	Quarterly SWP : minimum of Rs.1500/-
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The amount withdrawn under SWP would be based on the NAV of the first business day of the month.

In case the date falls on a holiday or falls during a book closure period, the immediate next business day will be considered for the purpose. Exit Loads as applicable under the scheme/s would be charged.

3) SYSTEMATIC TRANSFER PLAN (STP):

STP Type	Days	Frequency	Minimum STP
Daily STP	All Business days	Daily	Rs.100/- and in Multiples of Rs.1/-.
Weekly STP	7 th , 14 th , 21 st , 28 th	Weekly	Rs.500/- and in Multiples of Rs.1/-.
Monthly STP	1 st , 5 th , 25th	Monthly	Minimum amount as provided under \$
Quarterly STP	1 st , 5 th , 25th	Quarterly	Minimum amount as provided under \$

The Daily / Weekly /Monthly or quarterly STP should be registered for minimum of 6 months between two schemes. The application for STP should be submitted at least 10 Business Days in advance before the commencement date of STP. No minimum balance has to be maintained for opting Systematic Transfer Plan.

In case of STP, if the day is a non business day the processing will be done on the next business day. Exit load, if any, under the scheme will apply to STP.

Minimum balance under the schemes: The AMC at its sole discretion retains the right

to close unit holder's account if the total subscription amount falls below the minimum application amount of the schemes / plan / option at the end of the period under SIP or on account of redemption.

4) Systematic Investment Plan for Corporate Employees

The SIP for corporate employees seeks to provide convenience and value of investment to salaried individuals. The application amount would be forwarded by the employer on specific request from the employee who desires to invest in the Scheme. The concerned employee has to authorize the employer to deduct the application amount from his salary and remit the same to the fund. The employer would then deduct the requested application amount at regular intervals (monthly or otherwise) and forward the same to the Fund.

x. Accounts Statements

For normal transactions (other than SIP/STP) during ongoing sales and repurchase:

- The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement within 5 working days from the date of allotment.
- The units allotted in electronic form will be credited to the investor's beneficiary account with the Depository (DP) of CDSL or NSDL as per the details furnished by the investor in the Application form. The option to hold units in Demat form is available for all schemes except subscriptions through STP and for plan/options where the dividend distribution frequency is less than one month. The Account Statement of the Beneficiary Account with the DP will be sent by the DP's as per their service standards.
- There is an option to hold units in Demat Form for Systematic Investment Plan (SIP) transactions. The Units for subscription in Demat Form units will be allotted based on the applicable NAV as per Scheme Information Document (SID) and will be credited to investors Demat Account on weekly basis on realisation of funds, for e.g. Units will be credited to investors Demat account every Monday for realization status received in last week from Monday to Friday.
- A confirmation specifying the number of units allotted by way of

E-mail and or/SMS on their registered E-mail address and/or mobile number within 5 business days from date of receipt of transaction* request

- The unit holder may request for a physical account statement by writing/calling the AMC/ISC/R&T. An account statement within 5 working days from the date of receipt of such requests would be despatched to the unit holder.

Consolidated Account Statement

A single Consolidated Account Statement (CAS) shall be generated and dispatched for the investors having Mutual Fund Investments & holding Demat Accounts for each calendar month to the investors in whose folios transaction(s)* has/have taken place during that month on or before 10th day of the succeeding month detailing all the transactions and holding at the end of the month across all the schemes of all Mutual funds including the transaction charges paid to the distributors.

*The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

- For the purpose of sending CAS, Common Investors across Mutual funds shall be identified by their Permanent Account Number (PAN).
- In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/Account statement.
- Further a CAS every half yearly (September/March) will be issued, on or before 10th day of

	<p>succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period.</p> <p>Annual Account Statement:</p> <ul style="list-style-type: none"> • The Mutual Fund shall provide the Account Statement to the Unit holders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement. • The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. • Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.
<p>xi. Dividend Policy</p>	<p>It is proposed to declare dividends, subject to availability of distributable profits, as computed in accordance with SEBI Regulations. Dividends, if declared, will be paid out to those unit holders whose name appears in the Register of unit holders on the notified Record date. However, it must be distinctly understood that the actual declaration of dividend and the frequency thereof will, inter-alia, depends on the availability of distributable profits as computed in accordance with SEBI Regulations. The decision of the Trustees in this regard shall be final. Investors opting for this option should tick the appropriate box in the application form. The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.</p> <p>Investors who have invested without Distributor code and have opted for Dividend Reinvestment facility under</p>

	the scheme may note that the dividend will continue to be reinvested in the scheme only.
xii. Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unit holders within 10 working days from the date of redemption or repurchase.</p> <p>Where Units under a Scheme are held under both Existing and Direct Options and the redemption / Switch request pertains to the Direct Option, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Options under the Existing options. However where units under the requested option are held only under one plan, the request would be processed under such plan.</p>
xiii. Delay in payment of dividend/redemption / repurchase proceeds	The Asset Management Company shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
xiv. Who can invest This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.	<p>(PI refer to page 3 of the SID)</p> <p>The following persons are eligible and may apply for subscription to the units of the scheme (subject to wherever relevant Statutory Regulations and their respective constitutions):</p> <ol style="list-style-type: none"> 1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Minors through natural guardian (father/mother)/ or court appointed legal guardian; 3. Karta of Hindu Undivided Family (HUF); 4. Partnership Firms; 5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals jointly and societies registered under the Societies Registration Act, 1860; 6. Banks & Financial Institutions; 7. Mutual Funds registered with

	<p>SEBI;</p> <ol style="list-style-type: none"> 8. Religious and Charitable Trusts and wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts are authorized to invest in Mutual Fund Scheme(s) under their trust deeds except for certain states like Maharashtra, Madhya Pradesh, Andhra Pradesh, Gujarat and Rajasthan where individual schemes need to be accorded the status of Public Security to qualify as investments under the said provision. 9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO) on repatriation basis or on non-repatriation basis (**); 10. Foreign Institutional Investors (FIIs) registered with SEBI on repatriation basis; 11. Army, Air Force, Navy and other paramilitary Units and bodies created by such institutions; 12. Scientific and Industrial Research Organizations; 13. Provident/Pension(Gratuity/ Superannuation) Fund and such other retirement and employee benefit and other similar funds (so long as the Sale of Units is permitted under their respective constitutions). 14. Multilateral Funding Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India; 15. Other Scheme(s) of Sahara Mutual Fund subject to the conditions and limits prescribed by SEBI Regulations; 16. Trustees Promoters, AMC, Sponsor and their associates/employees may subscribe to Units under this Scheme; 17. Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever
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applicable they are in conformity with SEBI Regulations.

It may be noted that any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 except where registered with SEBI as a FII or FII sub account.

The Fund reserves the right to include / exclude new/ existing categories of investors to invest in the schemes from time to time, subject to SEBI Regulations and other prevailing statutory regulators/ regulations, if any.

Note:

1. In line with the notifications issued, RBI has granted a general permission to Mutual Funds, as referred to in Clause 23(D) of Section 10 of the Income Tax Act, 1961 to issue and repurchase Units of their Scheme(s) which are approved by SEBI to NRIs / PIOs and FIIs respectively, subject to conditions set out in the aforesaid notifications. Further, general permission is also granted to send such Units to NRIs / PIOs and FIIs to their place of residence or location as the case may be.

2. In case of application under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy duly notarized or the relevant resolution or authority to make the application as the case may be, or duly notarized copy thereof, along with a certified copy of the Memorandum and Articles of Association and / or bye laws and / or trust deed and / or partnership deed and Certificate of Registration should be submitted. The officials should sign the application under their official designation. In case of a trust / fund it shall submit a certified true copy of the resolution from the trustee(s) authorizing such purchases.

(*) Who cannot invest**

Non-Resident Indians (NRIs)/Persons of Indian Origin (PIO,) on full repatriation basis or on non-repatriation basis; (Except NRIs & PIOs who are residents of United States of America / defined as United States persons under applicable laws / statutes, and the residents of Canada)

As per the requirements of the U.S. Securities and Exchange Commission (SEC), persons falling within the definition of the term "U.S. Person" under the US Securities Act of 1933 and corporations or other entities organized under the laws of U.S. are not permitted to make investments in securities not registered under the Securities Act of 1933. [The term "US Person" means any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S.Commodity Futures Trading Commission or as per such further amended definitions, interpretations,legislation, rules etc, as may be in force from time to time].

Further, as per the Canadian Securities Administrator ('CSA') and other applicable laws, prior registration of a scheme is mandatory with CSA before its marketing or selling to the Residents of Canada.

The Schemes of Sahara Mutual Fund are presently not registered under the relevant laws, as applicable in the territorial jurisdiction of U.S. or in any provincial or territorial jurisdiction of Canada.

In view of the above, w.e.f November 14th, 2014, the Trustees to Sahara Mutual Fund

has decided that U.S. Persons, corporations or other entities organized under the law of the U.S. and Residents of Canada as defined under the applicable laws of Canada are not allowed to invest in units of any of the Schemes of Sahara Mutual Fund

The U.S. Persons and Residents of Canada are requested to note the following:

- No fresh purchases (including Systematic Investment Plans, Systematic Transfer Plans and Dividend Transfer Plans)/additional purchases/switches in any Schemes of the Mutual Fund would be allowed.

However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Fund;

- If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Schemes of the Sahara Mutual Fund;

- All existing registered Systematic Investment Plans, Systematic Transfer Plans and Dividend Transfer Plans along with related mandates would cease from the effective date.

Foreign Account Tax Compliance Act (FATCA):

FATCA is an acronym for Foreign Account Tax Compliance Act (FATCA), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with offshore investments. The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter- Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC / Fund are likely to be classified as a 'Foreign Financial Institution' (Investment Entity as per Annexure 1(i)) under the FATCA provisions. In accordance with FATCA provisions, the AMC / Mutual Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information / documentary evidences of the US and / or non-US status of its investors / Unit holders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns and / or to US Internal Revenue Service (IRS) or the Indian Tax Authorities, as the case may be for the purpose of onward transmission to the IRS pursuant to the new reporting regime under FATCA.

FATCA due diligence will be directed at each investor / Unit holder (including joint investor) and on being identified as a reportable person / specified US person, all the folios will be reported. In case of folios with joint holders, the entire account value of the investment portfolio will be attributable under each such reportable person. An investor / Unit holder will therefore be required to comply with the request of the AMC / Mutual Fund to furnish such information as and when sought by the AMC for the AMC / Mutual Fund to comply with the information reporting requirements stated in IGA and circulars issued by SEBI / AMFI in this regard. The information disclosed may include (but is not limited to) the identity of the investors and their direct or indirect beneficiaries, beneficial owners and controlling persons. Investors / Unit holders should consult their own tax advisors regarding FATCA requirements with respect to their own situation.

Beneficial Ownership Details

In line with the Prevention of Money Laundering Act, 2005 (PMLA) and SEBI Guidelines, all intermediaries including mutual funds are required to obtain sufficient information from their clients in order to identify and verify the persons who beneficially own or control the account. All categories of investors (except individuals, company listed on a stock exchange or majority owned subsidiary of such company) are requested to provide details about beneficial ownership in the specified section of the application Common Application Form for all their investments. The fund reserves the right to reject the application/restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership. In the event of change in beneficial ownership, investors are requested to immediately update the details with the Fund /Registrar.

3. MODE OF PAYMENT

RESIDENT INVESTORS

- Payment may be made by cheques or bank draft drawn on any bank, which is situated at and is a member of the Bankers' Clearing House, located at the place where the application is submitted. No cash, money orders, post-dated cheques and postal orders will be accepted. In case the investor subscribes to the units of a scheme through a Demand Draft/ Pay Order / Bankers' Cheque, the cost towards such instruments, if any, shall be borne by the Investors.

REPATRIATION BASIS

- In the case of NRIs/PIOs, payment may be made by means of a Draft in Indian Rupees purchased abroad or by a cheque drawn on Non-Resident (External) Account / FCNR Account, payable at par at the respective ISC location where the application has been submitted. Payments may also be made through Demand Drafts or other instruments permitted under the Foreign Exchange Management Act, 1999.
- FIIs and International Multilateral Agencies shall pay their subscription out of their special Non-Resident Rupee Account maintained with a designated bank in India.
- Such applicants would have to subsequently arrange to provide a certificate from their bankers confirming that the amount has been paid by debiting a NRE/FCNR account.

NON-REPATRIATION BASIS

- NRIs can invest by cheques / demand drafts drawn out of Non-Resident Ordinary (NRO) Account / Non-Resident Special Rupee Account (NRSR). FIIs may pay their subscription amounts out of their special Non-Resident Rupee Account maintained with a designated bank in India or as may be permitted by law.

4. Returned cheques are liable not to be presented again for collection and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor.

5) Know Your Customer (KYC)

a. SEBI has introduced a common KYC Application Form for all the SEBI registered intermediaries including Mutual Funds. New Investors are therefore requested to use the common KYC Application Form and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The KYC Application Forms are also available on our website www.saharamutual.com.

b. The Mutual Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Mutual Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). Karvy Computershare Pvt Ltd {Registrar & Transfer Agent (RTA)} may also undertake the KYC of the investors on behalf of the Mutual Fund. KRAs shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Mutual Fund, confirming the details thereof.

c. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor.

d. It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its new investors from the Effective Date. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund /Sahara Asset Management Company Limited and NISM/AMFI certified distributors who are KYD compliant are authorized to undertake the IPV for Mutual Fund investors.

e. Existing KYC compliant investors of the Mutual Fund can continue to invest as per the current practice.

However, existing investors are also urged to comply with the new KYC requirements including IPV as mandated by SEBI. Existing Individual investors are requested to fill in "KYC Details Change Form" issued by CVL-KRA and also available on the AMC website www.saharamutual.com. This duly filled form along with IPV completed status would need to be submitted along with the purchase application. Alternatively, investors may also approach their existing mutual funds at any investor service centre for completion of this KYC requirement.

f. In case of Non Individuals, even if they have completed their KYC on or before 31/12/2011, KYC is required to be done again with any SEBI registered KRA due to significant changes in KYC requirements, if they intend to invest through a new folio with Sahara Mutual Fund.

g. Securities and Exchange Board in India (SEBI) vide its letter no. OW/16541/2012 dated July 24, 2012 conveyed that investments in mutual fund schemes {including investments through Systematic Investment Plan (SIP)} of less than ₹ 50,000/- (Rupees Fifty Thousand) per year per investor shall be exempted from requirement of PAN. Accordingly, investors are requested to note that the PAN requirement shall be exempted if the aggregate of the lump sum investment (fresh purchase & additional purchase) and SIP installments by an investor in rolling 12 months period does not exceed 50,000/-(Rupees Fifty Thousand). However, it is clarified that the requirements of Know Your Customer (KYC) shall be mandatory for all investments, irrespective of the amount of investment. For the purpose of identifying such investments, the value of investments at the investor level (first holder) will be aggregated and such aggregation shall be done irrespective of the number of folios / accounts under which the investor has invested.

The aforesaid exemption for PAN will be applicable only to such investments made by the individuals being Indian citizens (including Non Resident India (NRIs), Joint holders, minors acting through guardian and sole proprietary firms). Person of Indian Origin (PIOs), Hindu Undivided Family (HUFs), Qualified Foreign Investor (QFIs) and other categories of investors will not be eligible for this exemption.

The additional information pertaining to the investor specific to the area of activity of the AMC has been made part of the Key Information Memorandum and is mandatory at the time of investment

The above procedure is as per the current guidelines issued by SEBI in this regard. Sahara Mutual Fund reserves the right to modify/enhance the KYC norms & procedures, points of acceptance etc. as may be Modified/revised/changed by SEBI / AMFI from time to time.

6. "On behalf of minor" Accounts: There shall not be any joint accounts with minors as the first holder.

7. Minor Attaining Majority – Status Change:

a) When the units are held on behalf of the minor, the ownership of the units rests with the minor. A guardian operates the account until the minor attains the age of majority.

- b) When a minor turns major, advance notice will be sent to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents as applicable from time to time to change the status of the account to "major". The notice would state that all transactions including SIP, STP and SWP shall be suspended in case the documents to change the status are not received by the date when the minor attains majority.
- c) The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions shall be permitted till the documents as applicable for changing the status are received.
- d) The AMC at their discretion will have the right to suspend all standing instructions like SIPs, SWPs, STPs etc. from the date of the minor attaining majority, by giving adequate notice prior to that date.
- e) AMC will register standing instructions like SIP, SWP, STP in a minor folio only till the date of the minor attaining majority, though the instructions may be for a period beyond that date.

8. Change in Guardian: For registration of the new guardian, when there is a change in guardian either due to mutual consent or demise of existing guardian, necessary documents as applicable from time to time would be required to be submitted, as per the procedure sought by the AMC.

9. Process for change in Bank Mandate

a. Investor should submit duly filled "Multiple Bank Account Registration Form or Change of Bank Mandate form" at any of the official point of acceptance of Sahara Mutual Fund.

b. The investors have to submit in original any one of the following documents of the new bank account:

- i. Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the cheque.
- ii. Self attested copy of bank statement.
- iii. Bank passbook with current entries not older than three (3) months.
- iv. Bank Letter duly signed by branch Manager/authorized personnel.

c. Investors are also required to submit in original any one of the following document of the existing bank account:

- i. Cancelled original cheque with first unit holder name and bank account number printed on the face of the cheque.
- ii. Bank account statement/Pass book.
- iii. Bank letter on the letterhead confirming the bank account holder with the account details, duly signed and stamped by the Branch Manager/authorized personnel.
- iv. In case such bank account is already closed, a duly signed and stamped original letter from such bank on the letter head of bank, confirming the closure of said account.

d. If photocopies of the above stated documents are submitted, investor must produce the original for Verification at the official point of acceptance of transaction. The original shall be returned to the investor over the counter upon verification. Kindly note that the photocopies submitted should be attested in original by the Branch Manager or Authorised personnel of the Bank.

e. If any redemption request is received within 15 days of submission or change in bank mandate/change of address, the redemption proceeds / communication shall be sent to the old bank a/c /old address.

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

10. Process for change in Address

a. Investor should submit duly filled "Change of Address form" or "Change of Address request letter" along with any one of the following documents at any of the official point of acceptance of transaction of Sahara Mutual Fund.

i. KYC Not Complied Folios / Clients:

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

ii. KYC Complied Folios / Clients

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

b. If photocopies of the above stated documents are submitted, investor must produce the original for verification at the official point of acceptance of transaction. The original shall be returned to the investor over the counter upon verification. Kindly note that the photocopies submitted should be properly attested/verified by entities authorized for attesting/verification of document.

xv. How to Apply

Please refer to the SAI and Application form /KIM for instructions. PI REFER PAGE 3 of the SID

Transaction through the Stock Exchange Mechanism.

The facility to purchase / redeem units of the eligible schemes of Sahara Mutual Fund through BSE StAR MF platform is available. All trading members of BSE who are registered with AMFI/NISM as Mutual Fund Advisors & Clearing members who are registered with BSE will be eligible to offer this facility to Investors. The units of eligible Schemes are not listed on BSE and the same cannot be traded on the Stock Exchange.

1. Purchase/ Redemption of Units: Physical Form

On submission and verification of requisite documents Purchase/Redemption of Units the Brokers or Clearing Members will issue an order confirmation slip. For Purchase the investor will transfer the funds to the Brokers/ Clearing Members and for redemption the redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Mutual Fund.

2. Purchase/ Redemption of Units: Dematerialized Form

Investors are required to have a demat account with CDSL/NSDL and shall place an order for Purchase/Redemption of units with the Brokers or Clearing Members. An order confirmation slip will be issued to investor and investor will transfer the funds to the Brokers/Clearing Members for purchase. The Investors for redemption should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation Pool Account. The redemption order will be entered in the system and an order confirmation slip will be issued to investor. Investors shall receive redemption amount through Broker/Clearing Member's account. The AMC/Mutual Fund shall credit the units into Broker/Clearing Member's pool account in case of purchase and in case of redemption shall pay proceeds to the Broker/Clearing Member and Broker/Clearing Member in turn to the respective investor's account. Such credit of units and redemption proceeds by the AMC/Mutual Fund to the Broker/Clearing Member's pool account shall discharge AMC/ Mutual Fund of its obligation to the Investors.

3. Redemption of Units Routed Through Depository Participants for BSE StAR MF

The Investors who intend to deal in Depository mode are required to have units in the demat account maintained with CDSL/NSDL prior to placing of redemption order with their Depository Participant.

The Investors should provide their Depository Participant with Depository Instruction Slip with relevant Scheme ISIN and units to be redeemed.

The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant. Unit holders are requested to note that request for conversion of units held in Account Statement (non-demat) form into Demat (electronic) form or vice versa should be submitted along with a Demat / Remat Request Form to their Depository Participants.

The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). Applications for purchase/redemption of units which are incomplete /invalid are liable to be rejected. Separate folios will be allotted for units held in physical and demat mode. In case of non-financial requests/applications such as change of address, change of bank details, etc.

Investors should approach Investor Service Centres (ISCs) of Sahara Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode. An account statement will be issued by Sahara Mutual Fund to Investors who purchase/ redeem their units under this facility in physical mode. In case of Investors who intend to deal in units in depository mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account. Investors will have to comply with Uniform Know Your Customer (KYC) norms as prescribed by SEBI to participate in this facility. Investors should contact the Investor Service Centres (ISCs) of Sahara Mutual Fund for further details.

4. Minimum Application Amount:

The minimum amount for purchase of units under all the eligible scheme(s) through the Stock Exchange Platform (BSE StAR MF) would be ₹ 1000/- and in multiples of Re.1/- thereafter across all eligible schemes except Sahara Tax Gain Fund being ₹ 500/- and in multiples of ₹ 500/- thereafter. The maximum purchase amount under all the eligible schemes would ₹ 99,999/-.

5. Minimum Redemption

The minimum units (and multiples thereafter) for redemption of units under all the eligible scheme(s) through the Stock Exchange Platform (BSE StAR MF) would be 0.0010 units respectively. There is no maximum limit fixed under all the eligible schemes towards redemption of units.

6. Systematic Investment Plan Facility (SIP)

In respect of the units purchased through the Stock Exchange Platform (BSE StAR MF), the SIP date would be 5th/15th/25th at specific periods currently being monthly and quarterly.

xvi. Listing	Not applicable
xvii. The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, would be at the sole discretion of the Trustees, as and when applicable.
xviii. Restrictions, if any, on the right to freely retain or dispose of units being offered.	Subject to the regulations, any application for units may be accepted or rejected in the sole and absolute discretion of the Board of Trustees. The

	Trustees may in their opinion reject any application for purchase of units if the application is invalid or incomplete or if, in its opinion increasing the size of any or all of the scheme's unit capital is not in the general interest of the unit holders or if the Trustee for any other reason does not believe that it would be in the best interest of the scheme or its unit holders to accept such an application.
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B. PERIODIC DISCLOSURES

<p>i. Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The Mutual Fund shall declare the Net Asset Value of the scheme on every business day on AMFI's website www.amfiindia.com, in two daily newspapers and also on the website www.saharamutual.com.</p> <p>1) The NAV of the schemes would be uploaded by 9.00 pm on AMFI's website on every business day and also on their own website.</p> <p>2) As mentioned in the SEBI circular date February 9, 2001, if the NAVs of a mutual fund are not available before commencement of business hours on the following day due to any reason, the mutual funds shall issue a press release giving reasons for the delay and explain when they would be able to publish the NAVs.</p> <p>3) In case of delay beyond 9.00 pm the mutual fund must explain the reasons of delay in writing to AMFI.</p>
<p>ii. Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The mutual fund shall publish a complete statement of the scheme portfolio within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located.</p> <p>The Mutual Fund shall arrange to have the half yearly unaudited financial results uploaded on the website in line with SEBI (MF)</p> <p>The mutual fund may opt to send the</p>

	portfolio to all unit holders in lieu of the advertisement (if applicable).
iii. Half Yearly Results	The mutual fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated.
iv. Annual Report	<p>Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unit holders within four months from the date of closure of the relevant accounts year i.e. 31st March each year.</p> <p>The scheme wise annual report or an abridged summary hereinafter shall be sent by the AMC/Mutual Fund as under:</p> <p>(i) By e-mail to the Unit holders whose e-mail address is available with the Fund,</p> <p>(ii) In physical form to the Unit holders whose email address is not available with the Fund and/or to those Unit holders who have opted/requested for the same.</p> <p>The physical copy of the scheme wise annual report or abridged summary will be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary will be displayed prominently on the website of Sahara Mutual Fund.</p>
v. Associate Transactions	Please refer to Statement of Additional Information (SAI).
vi. Taxation	

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.	Debt Fund	Resident Investors	Mutual Fund
	Tax on dividend	Dividend will be Tax free in the hands of the unit holders	28.84% for Individuals & HUF, and 34.608% in case of persons other than Individuals & HUF, NRI
	Capital Gains: Long Term Short Term	Pl. refer to the paragraph on Capital Gains of SAI	NA
	For further details on taxation please refer to the clause on Taxation in the SAI		
vii. Investor services	Mr Arun Shinde, Dy Head - Investor Services, 97-98, 9 th Floor, Atlanta, Nariman Point Mumbai – 400021 Tel (022):2204 7197/99 e- mail:saharamutual@saharamutual.com.		

C. COMPUTATION OF Net Asset Value (NAV)

NAV of units under the Scheme may be calculated as shown below:

(Market or Fair Value of Scheme's investments

$$\text{NAV (Rs.)} = \frac{+ \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}}$$

The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time. NAV upto 4 decimal places and the repurchase prices of the units will be calculated and announced at the close of each business day. Separate NAVs will be calculated and published for Direct option(s) under the scheme(s).

Note: Computation of NAV will be done after taking into account dividends paid, if any and the distribution tax thereon, if required. Therefore once dividends are declared under the Dividend option of the scheme, the NAV of the units under the Dividend Option would remain lower than the NAV of the units issued under the Growth Option. The income earned and the profits realized in respect of the units issued under the Growth Option. The income earned and the profits realized in respect of the units issued under the Growth Option of the scheme remain invested and are reflected in the NAV of the units.

V. FEES AND EXPENSES

A. NEW FUND OFFER (NFO) EXPENSES

- a) The New Fund Offer expenses of the scheme is as follows:

The New Fund Offer expenses of the scheme was borne by the AMC

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: For the actual expenses being charged, the investor may refer to the website of the mutual fund.

The expense ratio for FY 2015-16 (% to Daily Net Asset Value) is as follows:

Expense Head	Liquid Fund
Investment Management and Advisory Fees	0.05
Trustee fee	-
Audit fees	0.00
Custodian fees	-
RTA Fees	0.04
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)	0.02
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	-
Service tax on expenses other than investment and advisory fees	-
Service tax on brokerage and transaction cost	-
Other Expenses (#)	0.04
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	0.15
Additional expenses under regulation 52 (6A) (c)	0.00
Additional expenses for gross new inflows from specified cities	0.00

(#) 1: Cost towards all kinds of Bank Charges 2: Cost towards CCIL Charges for CBLO

(**) additional exps of 0.20 from Jan 13 & is a part of the above exps except Investment Management and Advisory Fees & Cost Towards Investor Education & awareness

The direct options shall have a lower expense ratio excluding distribution expenses, commission, etc., and no commission shall be paid from such options.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se.

Fees and Expenses: The asset management company may charge the scheme with Investment and Advisory fees within the maximum limit of Total Expense Ratio (TER) of the scheme as prescribed in Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996.

In addition to the investment and advisory fees, the asset management company may charge the scheme with the following expenses, namely:—

Recurring expenses including:(i) marketing and selling expenses including agents' commission, if any ; (ii) brokerage and transaction cost ; (iii) registrar services for transfer of units sold or redeemed ; (iv) fees and expenses of trustees; (v) audit fees; (vi) custodian fees ; (vii) costs related to investor communication ; (viii) costs of fund transfer from location to location ; (ix) costs of providing account

statements and dividend/redemption cheques and warrants; (x) insurance premium paid by the fund; (xi) winding up costs for terminating a fund or a scheme; (xii) costs of statutory advertisements ; and listing fees, in case of schemes listed on a recognized stock exchange; and such other costs as may be approved by the Board. Any expense other than those specified in sub-regulations 52 (2) and (4) of the Regulations shall be borne by the asset management company.

The total expenses of the scheme excluding issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but including the investment management and advisory fee shall be subject to the following limits:—

(i) On the first ₹100 crores of the daily net assets: 2.5%; (ii) On the next ₹300 crores of the daily net assets: 2.25%; (iii) On the next ₹300 crores of the daily net assets: 2.0%; (iv) On the balance on the assets: 1.75%

Provided that in respect of a scheme investing in bonds such recurring expenses shall be lesser by at least 0.25% of the daily net assets outstanding in each financial year.

In addition to the limits specified, the following costs and expenses may be charged to the scheme, namely.

“Brokerage and transaction costs, over and above, 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions” which cannot be included in the cost of Investments.”

Service Tax would be charged on Investment and Advisory Fees in addition to the maximum limit of Total Expense Ratio (TER) of the scheme as prescribed in regulation 52 of the SEBI (Mutual Funds) Regulations, 1996.

Within the maximum limit of TER as per regulation 52 of the Regulations, atleast 2 basis points on daily net assets of the scheme/s would be annually set apart for Investor Education and Awareness initiatives.

Any expenditure in excess of the limits specified above, shall be borne by the AMC or by the Trustees or the Sponsor. Further, as and when permitted by SEBI, the AMC may charge a higher fee for that part of the unit capital that is invested overseas. However revision in fee charged shall be within the SEBI Regulations at all times. The scheme/s does not offer any assurance or guaranteed return.

The AMC / Sponsor may subject to the limits prescribed by SEBI subscribe to units of this Scheme. The AMC will not be entitled to charge any fees on investments made by the AMC.

(For Sahara liquid Fund)

Variable Pricing Option (as applicable presently for investors of Sahara Liquid Fund)

Concept: Under the Variable Pricing Option the AMC fee charged changes based on the schemes performance on a daily basis.

Considering: Reference Rate (MIBOR) :5.05 %

	Where NPR < Reference Point(i.e when NPR is negative) (i)	Where NPR = Reference Point (ii)	Where NPR > Reference Point (iii)	Where NPR > Reference Point (iv)		Where NPR > Reference Point plus 10% of Reference Point. (v) IMA = (0.25 plus additional AMC fees of 1 basis point would be charged for every 10 basis points of out performance	
GPR	5.25	5.40	5.50	5.66	5.90	6.00	6.10
Scheme Recurring Expenses	0.35	0.35	0.35	0.35	0.35	0.35	0.35
NPR	4.90	5.05	5.15	5.31	5.55	5.65	5.75
IMA	Nil	Nil	0.10	0.25	0.25	0.26	0.27
IR	4.90	5.05	5.05	5.06	5.30	5.39	5.48

GPR= Gross Portfolio Return NPR= Net Portfolio Return
 IMA= Investment Management Advisory fees IR= Investor Return

(i) If the Gross Portfolio Return (GPR) is 5.25 % and if the third party expenses is 0.35 % then the Net Portfolio Return (NPR) shall be 4.95%. Considering that the NPR is lower than the Reference Point, no AMC fees would be chargeable to the scheme.

(ii) If the Gross Portfolio Return(GPR) is 5.40 % and if the third party expenses is 0.35 % then the Net Portfolio Return (NPR) shall be 5.05%. Considering that the NPR is equal to the Reference Point, no AMC fees would be chargeable to the scheme.

(iii) If the Gross Portfolio Return(GPR) is 5.50 % and if the third party expenses is 0.35 % then the Net Portfolio Return (NPR) shall be 5.15%. Considering that the NPR is greater than the Reference Point, IMA will be charged to the extent of out performance only.

(iv) If the Gross Portfolio Return(GPR) is 5.66 % and if the third party expenses is 0.35 % then the Net Portfolio Return (NPR) shall be 5.31%. Considering that the NPR is greater than the Reference Point, AMC fees of 0.25% would be chargeable to the scheme.

(v) Now further if the Gross Portfolio Return(GPR) is 6.00 % and if the third party expenses is 0.35 % then the Net Portfolio Return (NPR) shall be 5.65% which is 10 basis points more than the Reference Point plus 10% of the Reference point. Considering that NPR is 6.00% and is greater than the Reference Point plus 10% of the Reference point (5.05% + .50% = 5.55%) by 10 basis points, then additional AMC fees of 1 basis point would be charged for every 10 basis points of out performance

As is evident from the above example, IMA fees will be chargeable to the extent of the out performance or the maximum permissible, whichever is lower.

Note:

(i) The above description of the variable pricing module is provided as an example for the general benefit and understanding to the unit holders before arriving at a conclusive decision for investment and is subject to further revision in tune with the investor needs and further transparency of the related concept.

(ii) This is based on the AMC's experience that third party expenses keep on charging on a continuous basis through the life of any scheme. These changes may result from efficiencies garnered as a scheme increases in size or through the inclusion of service providers in the process of performance linked remuneration. It is the AMC's intention to make attempts to reduce Fixed expenses chargeable to the scheme to the minimum possible.

In addition the underlying focus of the Variable Pricing Option is to ensure that the AMC does not earn any fee income on days when the formula objectives are not met. To meet this objective, it is critical that the distribution between Third Party expenses and AMC fee continues to change to reflect current conditions.

The mutual fund would update the current expense ratios on the website within two working days mentioning the effective date of the change.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to redeem/switch out the units from the scheme (as applicable under respective schemes). Load Structure are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.saharamutual.com) or your distributor.

UNIT HOLDER TRANSACTION EXPENSES OR SALES LOAD

Particulars	Maximum Charge %
Sales Load	Nil
Sales Load on issue of Units in lieu of dividends/reinvestment / Bonus Units (as % of NAV)	Nil
Contingent Deferred Sales Load (CDSC) (based on any period of holding) (as % of NAV)	Nil
Maximum Redemption / Repurchase Load (as % of NAV)	7%
Switchover / Exchange Fee (as % of NAV)	As per Load applicable to respective schemes / Plans /Options

The Redemption Price however, will not be lower than 93% of the NAV. Any imposition or enhancement of Load in future shall be applicable on prospective investments only. The difference between the Redemption price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

Load Structure of the scheme.

Scheme Name	Entry Load	Exit Load
Sahara Liquid Fund Fund	NA	nil

There will be no exit load for direct applications.

Service tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the scheme. The Trustees reserves the right to change the load structure if it so deems fit in the interest of the smooth and efficient functioning of the scheme/s, on a prospective basis.

Units issued on reinvestment of dividends shall not be subject to entry and exit load.

The investor is requested to check the prevailing load structure of the scheme before investing.

Any imposition of or enhancement of load in future shall be applicable on prospective investments only. At the time of changing the load structure beyond the limits disclosed hereinabove i.e. as per the table given above, the AMC shall take the following steps.

(1) The addendum detailing the changes may be attached to Scheme Information Documents and abridged Scheme Information Documents. The addendum may be circulated to all distributors/brokers so that the same can be attached to all Scheme Information Documents and abridged Scheme Information Documents already in stock. The addendum may be sent along with the newsletter sent to the unit holders immediately after the changes.

(2) Arrangements may be made to display the changes/modifications in the Scheme Information Documents in the form of a notice in all the service centers and distributors/brokers office.

(3) The applicable Exit Load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of applications forms and shall be disclosed on the Account statement issued to the Investor, after the introduction of such load.

(4) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

(5) Any other measures which the mutual funds may feel necessary.

The investor is requested to check the prevailing load structure of the scheme/s before investing. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

D. DIRECT APPLICATIONS

The applications received through internet, submitted to AMC or Point of Service/ Collection Centre/ Investor Service Centres (mentioned in the Scheme Information Document/Key Information Memorandum) that are not routed through any distributor/agent/broker.

The following Applications will be treated as Direct Application:

- a. In case the Distributor / Broker / Agent Code is pre printed on the application form, investors (any / all in case of joint holders) must strike off the code and counter sign before submitting the application at any of the offices of the AMC / Investors Service Centres (ISCs) / Point of Acceptance (POA);
- b. In the space provided for the Distributor / Broker / Agent Code, please mention "DIRECT" or "NOT APPLICABLE". Alternatively investors can also strike off the space and countersign the same. Investors are advised in their own interest not to leave the space blank;
- c. All existing unit holders who have invested through Distributor / Broker / Agent and intend to make their future investments through a direct route, are advised to communicate the same in writing to the AMC / ISCs/ POA.
- d. Investors wishing to transfer their accumulated unit balance held under Existing schemes (through Lump Sum/Systematic Investments made with or without Distributor code) to the available Direct Option will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Option.

VI. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VII. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. Not Applicable.
2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.
As on 31st March 2016, there are 71 and 92 cases (by and against) being consumer, criminal, Labour, Civil and High Court Cases and there are 38 and 58 (by and against) cases in which party though is made say Sahara India etc but the scheme involved in the cases is exclusively run by SIFCL amounting to Rs. 17,98,61,280/-. However, the cases may not have any bearing on the AMC/ SMF,
3. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.

SEBI in its order dated 28th July, 2015 alleged that the AMC has violated the provisions of Regulation 7 read with Regulation 10 and Regulation 22 of SEBI (Mutual Funds) Regulations, 1996.

Subsequently SEBI vide its Order no: WTM/PS/26/IMD/DOF-III/July/2015 dated 28th July, 2015 directed cancellation of "Certificate of Registration" of Sahara Mutual Fund which was to be effective on expiry of six months from the date of the Order. Further, SEBI also directed by the said Order that the Mutual Fund shall not take any new subscription from investors. Accordingly, the Mutual Fund has not taken any new subscription from the investors (including existing investors) in line with the said SEBI order. Sahara Asset Management Company Pvt. Ltd (SAMCPL) filed an appeal before the Securities Appellate Tribunal (SAT), Mumbai to set aside the said SEBI order. SAT vide its order dated 9th December, 2015 granted an interim stay in the matter. The appeal is pending for decision/disposal with the Securities Appellate Tribunal (SAT).

4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately. Not applicable
5. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed. Not applicable

Notes:

1. Further, any amendments / replacement / re-enactment of SEBI Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Scheme Information Document.

2. Notwithstanding anything contained in the Scheme Information Document, the provisions of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

For and on behalf of the Board
For Sahara Asset Management Company Private Limited

Sudhir R Kaup
Compliance Officer

Place: - Mumbai
Date: - 27th June,2016

VIII. Sahara Mutual Fund Investor Service Centres

AHMEDABAD : Sahara Asset Management Co. Pvt. Ltd.,203, 2nd Floor, Neelkamal Complex,Near Shriji Bagh flats & Havmor Restaurant, Navrangpura, Ahmedabad – 380009.	079 - 32942935
BANGALORE : No. 41, 3rd Cross, Ulsoor Road, Bangalore – 560 042	080 - 25327891
BHUBANESHWAR : Plot No.617/D, Kharvel Nagar, Unit-3, In front of Giridurga Temple, Bhubaneshwar -751001	0674-2391372
CHANDIGARH : SCO -364-366, Cabin-304, Sec-34/A, 3rd Floor, above Tata Motors Office, Chandigarh - 160 034.	0172-3244010 / 4636359
CHENNAI : 67/2, Greams Road,Thousand Lights, Chennai- 600 006	044 -32979232
COIMBATORE : Door No. 196/8,Gr Flr, Aiswarya Commercial Centre, T.VSamy Rd. (W), R. S. Puram, Coimbatore - 641 002.	0422-3296379
GURGAON : Office No. 110, Upper Ground Floor, Aap ka Bazar, Main Gurudwara Road, Gurgaon – 122001	0124-3224746
GORAKHPUR : Shop No.23, Upper Ground Floor, Cross Roads, “The Mall”, Bank Road, Gorakhpur - 273001.	0551-3247171.
HYDERABAD : Sahara Manzil, 2nd Floor, Opp. Secretariat, Basheerbagh, Hyderabad - 500004..	040 – 32936958
INDORE : Flat No. 315, 3rd Floor, President Tower, 6/2, South Tukoganj, Indore – 452001	0731 – 3255735
JAIPUR : Office No. 305 - A, 3rd flr, Shyam Anukampa, Opp. HDFC Bank, C Scheme, Ashok Marg, Jaipur - 302 001.	0141 - 3269923 / 4013634
JAMMU : Kiosk -5, (B-1), North Block, Ground Floor, Bahu Plaza, Jammu - 180012	0191-2100485 / 9797366142
KOLKATA : Sahara India Pariwar, 101, 1st Floor, Mangal Jyoti, 227/2, A. J. C Bose Road, Kolkata - 700020.	033 - 40032420 / 32977674
KOLKATA (Salt Lake) : B D-16 (Ground Floor), Sector - 1, Salt Lake City, Kolkata - 700 064.	033-40041617
LUCKNOW : Office No. 8, Ground Floor, Saran Chamber - 1, V Park Road. Lucknow - 226001.	0522 - 3242899
MUMBAI : 97-98, 9th Floor, Atlanta, Nariman Point, Mumbai - 400021	022 - 22047197/ 98
NEW DELHI : 701, 7th Floor, Deep Shikha Building no. 8, Rajendra Place,New Delhi - 110008.	011 – 25755783
NOIDA : C-1, Sahara India Complex, Sector 11, Noida - 201301.	0120 – 3100209
PATNA : C/o Sahara India Pariwar, Sahara India Vihar, Boring Road Chauraha, Boring Road. Patna - 800001.	0612 – 3255280
PUNE :Global Trade Centre, Cabin No. 18,1/1, Rambaug Colony, Lal Bahadur Shastri Road,Navli Peth, Pune- 411 030.	020 – 32934114
THANE :Shop No.-1,Santoshi Bhavan,Shivaji Path,Behind Punjab National Bank,Thane-400 601.	022 – 25441993

REGISTRAR AND TRANSFER AGENT: Karvy Computershare Private Limited,
 (Unit: Sahara Mutual Fund) #59,'SKANDA',Puttanna Road,Basavangudi,Bengaluru-560004
 Tel:080-26600785/26602851; Fax:080-26600786;Toll Free No.: 18004254034 / 35
 Email:service_smf@karvy.com.

KARVY ISCs

Agra : 9369918603 ; **Ahmedabad** : 079-26402967; **Ajmer** : 0145-5120725; **Allahabad** : 9369918605; **Ambala** : 9315017301; **Amritsar** :0183-5053802; **Anand** : 9662020623; **Asansol** : 0341-3266507 ; **Aurangabad** : 0240-2343414 ; **Balasore**: 06782-260503; **Bangalore**:080-26600785 ; **Bareilly** : 9369918607; **Baroda** : 0265-6640870 ; **Belgaum**: 0831 2402544 ; **Berhampur** :0680-2228106; **Bhagalpur** :9386256100 ; **Bharuch**: 02642-225022; **Bhavnagar** :0278-3004116 ; **Bhilai**:0788-2295999; **Bhilwara** : 01482-246362; **Bhopal** : 0755-4092712; **Bhubaneswar**:0674-6534585 ; **Bokaro** : 06542-233331 ; **Burdwan**: 0342-2665140; **Calicut** : 0495-4022480; **Chandigarh** 987666990; **Chennai** :044-42028512 ; **Cochin** : 0484 3000231; **Coimbatore** :0422-4388011; **Cuttack** : 0-9238102118 ; **Darbhanga** : 06272-220145; **Dehradun** : 9369918608; **Dhanbad**: 0326-6452027 ; **Dharwad** :0836-2744207 ; **Durgapur** : 0343-6512111; **Erode** : 0424-4021212; **Faridabad** : 9310448851; **Gaya**:0631-2220071 ; **Ghaziabad** : 9310448804 ; **Gorakhpur**: 9369918610; **Guntur**:0863-2339094 ; **Gurgaon** : 9310448806 ; **Guwahati** :8811036746; **Gwalior** : 9300004262 ; **Hassan** :08172-262032; **Hissar** : 9315017303; **Hubli** : 0836-2252444; **Hyderabad** :040-67406120 ; **Indore** : 0731-4218902 ; **Jabalpur** : 0761-3204376; **Jaipur** : 0141-4167714 ; **Jalandhar** : 0181-5094410; **Jalgaon** : 0257-2226761; **Jammu** : 0191-2458820; **Jamnagar** : 0288-2558887; **Jamshedpur** : 0657-6655000 ; **Jhansi** : 9369918614 ; **Jodhpur**: 0291-6454590 ; **Kanpur** : 9369918615; **Karaikudi** : 04565-237192; **Karur**:04324-241755 ; **Kolhapur** :0231 2653656; **Kolkata** : 033-40611135; **Kota** : 0744-5100964; **Kottayam**:0481-2300868 ; **Lucknow** : 9369918600 ; **Ludhiana**:0161-4648747; **Madurai** : 0452-2605856; **Mangalore** : 0824-2496289; **Margoa** :0832-2731823 ; **Meerut** : 9369918619; **Mehsana** :02762-242950; **Moradabad** :9369918620; **Mumbai**:022-66235353; **Muzaffarpur**:9386256101; **Mysore**:0821-2438006; **Nagpur** :0712-2533040 ; **Nasik** : 0253-6611395; **Navsari** : 02637-280367; **New Delhi**:011-43681700; **Noida**: 9310448805; **Panipat**:9315017304; **Panjim**:0832-2426873; **Patiala** : 0175-5004349 ; **Patna**:0612-6453098; **Pondicherry**:0413 2220640; **Pune**:020-6649670001; **Raipur**:0771-4052620; **Rajahmundry** : 0883-2434468; **Rajkot** : 2816545888; **Ranchi** : 0651-2331320; **Rohtak**:9315017305; **Rourkela** : 0661-2500005; **Salem** : 0427-4020300; **Shillong**:0364 2506106; **Shimla** : 9318644501; **Shimoga** : 08182-228799; **Silchar** : 03842 261714; **Siliguri**:0353-2526393; **Surat** :0261-3042170; **Tirunelveli** : 0462 2335137; **Tirupur** : 0421-2214221; **Trichur** : 0487-6999987; **Trichy** :0431-4020227; **Trivandrum**:0471-2725728; **Udaipur**:0294-2429370; **Valsad** : 02632-258481 ; **Vapi**:9228012909; **Varanasi** :9369918626; **Vijayawada** : 0866-2475126; **Visakhapatnam**:0891-2714125