



**SAHARA  
MUTUAL  
FUND**

**Sahara Asset Management Company Private Limited**  
Investment Manager to Sahara Mutual Fund.  
SEBI Regn No: MF/030/96/0  
Corporate Office: 97-98, 9th Floor, Atlanta,  
Nariman Point, Mumbai- 400 021.  
Tel: (022) 67520121 / 27 • Fax: (022) 6654 7855  
Email: saharemutual@saharamutual.com  
Website: www.saharamutual.com

## ADDENDUM TO STATEMENT OF ADDITIONAL INFORMATION OF THE SCHEMES OF SAHARA MUTUAL FUND

Pursuant to the guidelines issued vide SEBI (Mutual Funds) (Amendment) Regulations, 2012 notification dated 21st February, 2012 the following valuation policy as approved by the Board of the AMC and Board of Trustees and forms part of the Statement of Additional Information (SAI) of the schemes of Sahara Mutual Fund.

### VALUATION NORMS

#### Principles of Fair Valuation

The Mutual Fund shall value its investments in accordance with the overarching principles as outlined in the Eight Schedule of SEBI (Mutual Funds) Regulations, 1996 so as to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of schemes at all points of time.

The valuation guidelines have been outlined within the parameters of prevailing Regulations and are subject to changes from time to time by AMC and/or Trustees. However such changes would be in conformity with the Regulations.

For the purpose of valuation of investment and to arrive at fair and realizable value, the investments are categorized into following instruments:

a) Overnight instruments like Reverse Repo / CBLO / Call money etc. and Term Deposits, b) Money Market Instruments. c) T-Bills, d) Central Government Securities/ State Government Securities e) Bond/Debtentures etc

#### Definition:

##### 1) "Cut-off period of Amortization" :

The period upto which the amortization is allowed by SEBI from time to time (currently upto 91 days) and for which valuation matrix from the bond valuer aggregator is not available.

##### 2) Similar Security:

Those securities which shall mean the same nature security [Commercial Paper (CP), Certificate of Deposit (CD), Non-Convertible Debentures (NCD), etc.] of different issuers having same or equivalent credit rating for Similar maturity profile (either Short term rating or Long term rating), and falling in same "Maturity Bucket" as defined below.

##### 3) Maturity bucket :

i) For Debt Security having remaining maturity up to 91 days

Maturity date of securities falling between	Time Bucket
1st and 7th of the month	1-7 of the same month
8th and 15th of the month	8-15 of the same month
16th and 23rd of the month	16-23 of the same month
24th to end of the month	24- end of the month

ii) For Debt Securities having remaining maturities more than 91 days. "Time Bucket" for maturity profile of "Similar Securities" shall be same calendar month of that year.

For the purpose of valuation, Debt and Money Market Securities are categorized into 2 categories:

- a) Securities up to the "cut-off period of amortization" (Presently 91 days).  
b) Securities above "cut-off period of amortization".

Further the instruments Commercial Paper (CP), Bonds and Non-Convertible Debentures (NCDs) etc are categorized into three sub-categories.—

- 1) NBFC 2) Real Estate, PTC, etc 3) Others

#### The Valuation Policy of Debt and Money Market Instruments is given below:

Sr. No.	Instrument	Valuation applicable on the day of valuation
1	CBLO, REPO, Fixed Deposit, Call Money, etc and such Similar Instruments	On Amortization basis / Accrual basis.
2	Certificate of Deposit (CD), Commercial Paper (CP), Non-Convertible Debenture (NCD) Pass Through Certificate (PTC), Bonds, Asset Backed Securities (ABS), Mortgage Backed Securities (MBS), etc	
	i) Same security traded / reported on a Public Platform.	On Weighted Average yield of all trades for that Securities on that day irrespective of settlement day.
	ii) If Same Security not traded, but "Similar Security" w.r.t respective category and sub-category as defined above, if traded/ reported on Public Platform	On Weighted Average yield of all the trades of all such "Similar Securities" on that day, irrespective of settlement day.
	iii) If Same and Similar Securities not traded/ reported on Public Platform	
	For Securities having remaining maturity up to the "Cut-off period of Amortization".	On Amortization basis based on last valuation of Securities in the portfolio and on remaining maturity.
	For Securities having maturity above "Cut-off period of Amortization"	Valuation shall be taken as per the corresponding "Bond Valuer Aggregator" for that day for respective sub-categories of securities.
3	Central Government Securities / State Government Securities / Treasury Bills	Valuation as per aggregator for such securities by Crisil or any other agencies entrusted by SEBI from time to time for that day.

The transaction data for debt securities are generally provided by agencies like Bilav Information Services LLP etc. The AMC may use the services of any of such agencies for processing of such transaction data for the purpose of portfolio valuation. The data on yield are generally provided up to 4 decimal point which would be considered for arriving at the weighted average yield and in turn the valuation of the security.

#### Valuation of Inter Scheme Transfer (IST):

If the same or "Similar Security" is traded, the Inter Scheme shall be done on the Weighted Average Yield of Same / "Similar Security" traded upto the time of IST.

If no trades are available for Same or "Similar Security" till that time on that day the previous day closing prices shall be taken.

AMC may take screen shot/ downloaded excel file from FTRAC for the same purpose .

#### Related matters

- In case of any other instruments not mentioned above and not covered in the policy above, the same shall be referred to the Investment and Valuation Committee which is empowered to take decision.
- In the case of an event where the market quotes available are no longer reliable, the valuation of the respective Securities for that day will be approved by the Investment and Valuation Committee keeping in mind the prevailing market conditions, the last traded prices and such other factors affecting the valuation. Also in case the data provided by such agencies/sources indicate any abnormal trade in term of price/yield which is not in line with general trades which have taken place on the day, such data may be excluded for the valuation purpose to arrive at reasonable and realistic price of a portfolio securities. For this purpose, the abnormal situation would be if the yield mentioned in the transaction is over +/- 250 Basis Point compared to the previous day weighted yield.
- In case of any perceived conflict of interest while valuating the securities, the matter shall be dealt and decided by Investment and Valuation Committee.
- For non- business day the valuation shall be done on amortization basis based on last valuation of Securities in the portfolio

This addendum shall form an integral part of the SAI of the schemes of Sahara Mutual Fund as amended from time to time. All other terms and conditions as mentioned in the SAI shall remain unchanged.

On behalf of the Board  
For Sahara Asset Management Company Private Limited

Place : Mumbai  
Date : 20th April, 2012

Sd/-  
Chief Executive Officer

**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**