Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd.

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CIN No : U65990MH1993PLC071003

Securities

NOTICE - CUM - ADDENDUM

Particulars

CHANGE IN THE FUNDAMENTAL ATTRIBUTE'S OF CANARA ROBECO MUTUAL FUND SCHEMES ("CRMF")

NOTICE IS HEREBY GIVEN THAT the Board of Trustees of Canara Robeco Mutual Fund has approved the following changes in the schemes of Canara Robeco Mutual Fund with effect from May 14, 2018 ("Effective Date") and Securities and Exchange Board of India ("SEBI") vide its letter dated March 9, 2018 has also confirmed its no objection to the proposed changes.

The details of the scheme having existing and proposed features are as follows:

1. Canara Robeco Balance

Particulars		Existing				Proposed			
Name of scheme	Canara Robeco Balance				Canara Robeco Equity Debt Allocation Fund				
Type of Scheme	An open-ended Balance	e Scheme			An open-ended hybrid sche equity related instruments.		g predomin	antly in equity and	
How will the scheme allocate	The Asset Allocation pa circumstances would be			under normal	The Asset Allocation pattern of the Scheme under normal circumstances would be as under:				
its assets?	Instruments	Indicative allocations (% of total assets)		Risk Profile	Instruments	Indicative allocations (% of total assets)		Risk Profile	
		Minimum	Minimum Maximum	High/Medium/		Minimum	Maximum		
	Equity and equity	40	75	Low High	Equity and equity related instruments	65	80	High	
	related instruments Debt securities	40	75	nigii	Debt and Money Market Instruments	20	35	Low to Medium	
	including Securitized				REITs/InvITs	REITs/InvITs 0 10	10	Medium to High	
	debt having rating above AA or equivalent, 25 60 Money Market	Low	Investment in Derivatives can be upto 40% of the Net Assets of th Scheme.						
	Instruments & Govt.				Gross investments in secu	rities under	the Schem	he which include	

net assets as on the date of such investments.

Gross Notional Exposure by the Scheme in derivative instruments for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the Net Assets of Scheme. Investment by the Scheme in ADRs/GDRs shall not exceed 10% of the net assets of the Scheme as on the date of such investments

The Scheme may invest in Foreign Securities up to 10% of the net assets of the Scheme (subject to an overall limit of Investment by the Scheme in ADRs/GDRs shall not exceed 10% of 10% of the net assets of the Fund) as on 31st March of each the net assets of the Scheme as on the date of such investments. limits set for foreign securities.

lend securities shall be in accordance with the guidelines on securities lending and borrowing scheme issued by SEBI from time to time.

Total of investments in Equity, debt securities (including SEBI guidelines. securitized debt), money market instruments and gross notional exposure in derivatives shall not exceed 100% of the net assets of the scheme.

The above asset allocation pattern given for each scheme is not absolute and can vary depending upon the AMC's perception of the equity and money markets as well as the general view on interest rates. The asset allocation pattern indicated above may thus be altered substantially on defensive considerations. Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations interalia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and Portfolio Rebalancing: may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds)

Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money Investment by scheme in securitised debt is limited to market instruments and derivatives will not exceed 100% of the net domestic securitised debt and shall not exceed 20% of the | assets of the Scheme or such other limits as may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 as may be amended from time to time.

relevant year of the investment. However, investment in The Scheme may invest in Foreign Securities up to 10% of the net ADRs/GDRs would be included under the overall investment assets of the Scheme. However, investment in ADRs/GDRs would be included under the overall investment limits set for foreign securities.

The stock lending done by the Scheme shall not exceed The stock lending done by the Scheme (if any) shall not exceed 25% of 15% of the net assets of the Scheme as on the date of such the net assets of the Scheme as on the date of such lending. Process lending and that the maximum limit per intermediary shall for lending securities shall be in accordance with the guidelines on not exceed 5% of the net assets of the Scheme. Intention to | securities lending and borrowing issued by SEBI from time to time. Exposure by the Scheme in Securitised Debt shall not exceed 35% of the Net Assets of Scheme at the time of investment

The scheme may invest in Units issued by REITs and InvITs as per

Asset Allocation:

The above asset allocation pattern is not absolute and can vary depending upon the AMC's perception of the markets as well as the general view on interest rates. The asset allocation pattern indicated above may thus be altered substantially on defensive considerations. Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market opportunities. applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

The AMC reserves the right to change the above asset allocation Regulations, 1996 and the circulars issued by SEBI from pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not re balanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Existing							
 Money Market Instruments - include Commerce Papers, Commercial Bills, Treasury Bills, and Governmy Securities having an un-expired maturity up to one ye Call or Notice Money, Certificate of Deposit, Usance E and any other like instruments as specified by the Rese Bank of India/SEBI, from time to time. 							

- Certificate of Deposit (CDs);
- Commercial Paper (CPs);
- ADR/GDR
- Derivative instruments like Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI Any other like instrument/s as permitted by SEBI/RBI
- from time to time The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and

of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

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.

The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/ IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme shall abide by the following guidelines for parking of funds in short term deposits:

- "Short Term" for parking of funds shall be treated as a
- period not exceeding 91 days.
- 2. Such short-term deposits shall be held in the name of the Scheme
- 3. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
- 4. Parking of funds 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
- 5. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- 6. The Scheme shall not park funds in short-term deposit of limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.

The Scheme may also invest in the units/securities issued by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities or are rated as mentioned above and the registered with overseas regulators. The Fund may also appoint overseas investment advisors and service providers, as and when permissible under the Regulation.

Proposed an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Collateralized Borrowing Lending Obligation, Repos & Reverse Repos in Government Securities/Treasury Bills, Bills re-discounting, MIBOR Instruments, alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by SEBI/RBI from time to time.

- Foreign Securities including ADR/GDR as permitted by the RBI and SEBI
- Securitised Debt The scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be residential or commercial in nature. ABS/MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
- Pass through Certificate (PTC) (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two-wheeler loans and other assets subject to applicable regulations
- Derivative instruments like index futures, stock futures, index options, stock option, warrants, convertible securities, Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations.
- REITs/InvITs The scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines
- Any other instrument/s as may be permitted by SEBI/RBI/such other regulatory authority from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs). secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

Investment in other Schemes:

The investment by the Scheme in other Mutual Fund Schemes will a bank, which has invested in the Scheme. The aforesaid be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which

- The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.
- The Scheme shall not make any investment in any fund of fund scheme.

Short Term Deposits:

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.

time to time.

Portfolio Rebalancing:

The scheme would endeavor to rebalance the portfolio within 10 days. In the event of the scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing. Investment Committee shall then decide on the course of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall nvestment objective of the schemes.

Limits to make Overseas Investments:

from time to time.

Subject to approval from RBI/SEBI, the Fund may open foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries. sub- custodians or other agencies for managing and administering such investments.

Exposure to Derivatives:

The Schemes shall follow exposure limits on Derivatives as be within the limits prescribed by the Board of Trustees, as provided above.

Where will the Subject to the Regulations, the corpus of the Scheme may Subject to the Regulations, the corpus of the Scheme may be invested scheme invest? be invested in all or any one of (but not exclusively) the in all or any one of (but not exclusively) the following securities: followina securities:

Equity and equity related instruments including preference shares, convertible bonds and debentures and warrants carrying the right to obtain equity shares.

Foreign Securities in the countries with fully convertible currencies, short term instruments with highest rating (Foreign Currency Credit Rating) by accredited/registered credit rating agencies, such as A-1/AAA by Standard and Poor, P-1/AAA by Moody's, F1/AAA by Fitch IBCA, etc.

Securities created and issued by the Central and State Governments and/or repos/reverse repos/in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)

Limits to make Overseas Investments:

The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated 26th September, 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall limit of US\$ 7.00 billion or such The Schemes are permitted under SEBI Circular No. SEBI/ other limit as prescribed by SEBI from time to time.

IMD/CIR No. 7/104753/07 dated 26th September, 2007 to Subject to approval from RBI/SEBI, the Fund may open foreign make overseas investments subject to the maximum of US\$ | currency accounts abroad directly or through its Custodian to facilitate 300.00 million per mutual fund, subject to an overall limit \mid investments and to deal in currency contracts, futures, options for the of US\$ 7.00 billion or such other limit as prescribed by SEBI purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and administering such investments.

Exposure to Derivatives:

The Schemes shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEBI Circular No. DNPD/Cir-29/2005 dated 14th September 2005 and shall be within the limits prescribed by the Board of Trustees. SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005 permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI. Mutual Funds are per the limits permitted under the Regulations and shall permitted to participate in the derivatives market at par with Foreign Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in index futures, index options, stock options and stock futures contracts. The Mutual Fund will be considered as trading members like registered FIIs and the schemes of Mutual Funds will be treated as clients like sub-accounts of FIIs. As a part of the fund management process. the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and as per procedure prescribed under the stated circular.

What are the

investment

strategies?

quidelines/approvals)

after investment.

affected, if the securities invested in are rendered illiquid

to assess the likely direction of interest rates and position

the portfolio appropriately to take advantage of the same.

The above investment pattern is indicative and may

be changed by the Investment Manager for defensive

Investment Pattern and changes:

Equity and equity related instruments - including preference

shares, convertible bonds and debentures and warrants carrying the right to obtain equity shares.

Debt Instruments - include Govt, of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted.

Money Market Instruments - include Commercial Papers. Commercial Bills, Treasury Bills, Government Securities having

	SEBI No. 7/12 200 guid shal	investments in these deposits shall be in accordance with Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 9592/08 dated 12 November 2003, 16 April 2007, 26 October 7 and 23 June 2008 respective and any other applicable lelines as amended or updated from time to time. The Scheme I abide by the following guidelines for parking of funds in short a deposits:	
		Short Term" for parking of funds shall be treated as a period not xceeding 91 days.	
	• S	uch short-term deposits shall be held in the name of the Scheme.	
	sl to	he Scheme shall not park more than 15% of the net assets in nort term deposit(s) of all the scheduled commercial banks put ogether. However, such limit may be raised to 20% with prior pproval of the Trustees.	
	S	arking of funds in short term deposits of associate and sponsor cheduled commercial banks together shall not exceed 20% of otal deployment by the Mutual Fund in short term deposits.	
	s	he Scheme shall not park more than 10% of the net assets in nort term deposit(s), with any one scheduled commercial bank including its subsidiaries.	
	w b	he Scheme shall not park funds in short-term deposit of a bank, rhich has invested in the Scheme. The aforesaid limits shall not e applicable to term deposits placed as margins for trading in ash and derivatives market.	
	Mut	Scheme may also invest in the units/securities issued by overseas ual Funds or Unit Trusts which invest in the aforesaid securities registered with overseas regulators.	
		Fund may also appoint overseas investment advisors and service iders, as permissible under the Regulation.	
The investments may be made in primary as well as secondary markets. As far as possible, the portfolio will be adequately diversified to reduce the risk of	pred	fund being an open-ended hybrid scheme, it will invest lominantly in equity and equity related instruments. A part of the eme will also be invested in debt and money market instruments.	

underperformance, arising out of unexpected security-Investment Pattern and changes: specific factors. The Scheme may invest in overseas equity

markets like ADRs/GDRs (subject to relevant RBI/SEBI | The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following The Scheme being open ended, some portion of the circumstances: portfolio may be invested in Money Market Instruments 1. During extreme volatility/ill-liquidity in the capital market/ so as to meet the normal repurchase requirements. The securities market. remaining investment will be made in securities which are either expected to be reasonably liquid or of varying In case of natural calamity, strikes, riots, bandhs etc., affecting maturity. However, the NAV of the Scheme may be the valuation of security.

Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch.

In addition, the Investment Manager will study the macro economic conditions, including the political, economic During the time, the fund receives bulk repurchase and/or bulk environment and factors affecting liquidity and interest investment. rates. The Investment Manager would use this analysis

A review will be made as and when such variation takes place, and if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis.

Canara Robeco Mutual Fund Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No : U65990MH1993PLC071003

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Particulars Existing considerations and in accordance with change in Regulations Risk I	Proposed	Particulars	Existing	Proposed of diversified pools of loans, the overall characteristic of the loans
	k Mitigation: ce investing requires disciplined risk management, the AMC			is analyzed to assess the credit risk. Securitization transactions
	uld incorporate adequate safeguards for controlling risks in tfolio construction process. Stock specific risk will be minimized			may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the
2. In case of natural calamity, strikes, riots, bandhs etc., by in	investing only in those companies that have been thoroughly			underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying
	Ilyzed by the AMC. ough adequate diversification of the portfolio, the AMC tries to			loans, thus even if some loans default, the PTC continues to remain
any other serious or sustained financial political reduc	uce the risk. Diversification will also be achieved by spreading the			protected), presence of an equity/subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches
liquidity crunch.	estments over a diverse range of industries/sectors. The Scheme, erally does not intend investing in illiquid and unlisted equity			get paid before the junior tranche) and/or guarantees.
4. During the time the Fund receives bulk repurchase and/	ited securities. However, if the case merits, the Scheme may invest uch securities adhering to prudential norms on a case to case basis.			Minimum retention period of the debt by originator prior to securitization
or bulk investment.	investments may be made in primary as well as secondary			Issuance of securitized debt is governed by the Reserve Bank of India.
place, and, if the variation is beyond 10%, the reasons	rkets and the portfolio will be adequately diversified. Scheme being open ended, some portion of the portfolio may			RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum
allocation will be constantly monitored and such variation be in	invested in Money Market Instruments so as to meet the normal			holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on
as soon as normalcy is restored. A report of such variations in sec	urchase requirements. The remaining investment will be made ecurities which are either expected to be reasonably liquid or of			the tenure of the securitization transaction. The Scheme will invest in
will be made to the Board of the AMC and the Trustees on Varyin	ying maturity. However, the NAV of the Scheme may be affected, he securities invested in are rendered illiquid after investment.			securitized debt that is in compliance with the regulations. Minimum retention percentage by originator of debts to be
In ad	ddition, the Investment Manager will study the macro economic			securitized
Investments made by the scheme would be in accordance affect				RBI norms cover the "true sale" criteria including credit enhancement and liguidity enhancements, including maximum exposure by the
with the investment objective of the schemes and provisions use t of SEBI Regulations. Since investing requires disciplined posit				originator in the PTCs. In addition, RBI has proposed minimum
risk management, the AMC would incorporate adequate The S	Scheme may use derivatives instruments like Stock/Index Futures			retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention
process. The risk control process involves reducing risks Rate	Options, Interest Rate Futures, Interest Rate Swaps, Forward e Agreements or such other derivative instruments as may be			requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in
through portfolio diversification, taking care however not introd	oduced from time to time for the purpose of hedging or portfolio ancing or any other purpose as allowed under the regulations,			compliance with the regulations.
	hin the permissible limit of the portfolio, which may be increased			Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn
which offer superior levels of yield at lower levels of risk.	a prudent measure, the AMC has broad internal investment norms			makes investments in that particular scheme of the fund
AMC will carry out rigorous in-depth analysis of the securities	l investments made through the scheme would be in accordance h the investment objectives of the schemes and provisions of			The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator
expected to mitigate the above risks to a large extent, there	I Regulations.			is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e.
can be no assurance that these risks would be completely Debt				collecting the interest and principal payments). As the originators
issuer limits. Rigorous in-depth credit evaluation of the lindo	ncentration of risk is mitigated by defining issuer limits. Rigorous lepth credit evaluation of the issuers will be conducted by the			may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the
making investments. As part of credit evaluation, a study	estment team before making investments. As part of credit luation, a study on the operating environment, past track record			Investment Committee (IC) of the AMC and IC shall review the same at regular interval.
on the operating environment, past track record as well as as we	well as future prospects of the issuer, short as well as long term			Resources and mechanism of individual risk assessment for
financial health of the issuer will be carried out. The AMC guide	Incial health of the issuer will be carried out. The AMC will be ded by the ratings of accredited agencies such as CRISIL, CARE,			monitoring investment in securitized debt – credit analyst prepares a credit note analyzing the proposal including detailed risk assessment
as CRISIL, CARE, ICRA etc. as well as the internal norms for made	A etc. as well as the internal norms for credit exposure. Investments de by the schemes would be in accordance with the investment			of the underlying. The credit note is recommended by the Head of Fixed Income and is approved by the Investment committee.
credit exposure. object	ectives of the schemes and provisions of SEBI Regulations. Since esting required disciplined risk management, the AMC would			The credit analyst shall be responsible for timely analyzing the risk
The Fund Manager of the Scheme is responsible for making incor	prporate adequate safeguards for controlling risks in the portfolio			and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the
buy/sell decisions for the Scheme's portfolio and seeks to throu	struction process. The risk control process involves reducing risks bugh portfolio diversification, taking care however not to dilute			outstanding position, every quarter. While these measures are expected to mitigate the above risks to
asset allocation patterns of various schemes along with risks help	Irns in the process. The AMC believes that this diversification would pachieve the desired level of consistency in returns. The AMC aims			a large extent, there can be no assurance that these risks would be
that are associated with such investments. The investment to ide	dentify securities, which offer superior levels of yield at lower els of risks. With the aim of controlling risks, the investment team			completely eliminated.
market conditions and other regulatory aspects.	he AMC will carry out rigorous in-depth analysis of the securities			Risk Factors Associated with Investments in REITs and InvITs: • Market Risk: REITs and InvITs Investments are volatile and subject
The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk mitig	posed to be invested in. While these measures are expected to igate the above risks to a large extent, there can be no assurance			to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary
Management, Head of Equities, Head of Fixed Income that that the meets at periodic intervals. The Investment Committee's	t these risks would be completely eliminated.			due diligence but actual market movements may be at variance
Tote is to formulate should investment strategies for the	eign Securities: Fund may invest in overseas debt/equities/ADR's/GDR's with the			with the anticipated trends.Liquidity Risk: As the liquidity of the investments made by
general market outlook. appro	proval of RBI/SEBI, subject to such guidelines as may be issued by			the Scheme could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting
debate and a robust investment culture. The investment	/SEBI. The net assets, distributions and income of the scheme may affected adversely by fluctuations in the value of certain foreign			of units on the exchange etc, the time taken by the Mutual Fund
	rencies relative to the Indian Rupee to the extent of investments hese securities. Repatriation of such investment may also be			for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such
It is the responsibility of the AMC to seek to ensure that the	ected by changes in the regulatory and political environments. The eme's NAV may also be affected by a fluctuation in the general			securities may lead to increase in the scheme portfolio risk. • Reinvestment Risk: Investments in REITs & InvITs may carry
investments are made as per the Regulatory guidelines, the and s	I specific level of interest rates internationally, or the change in credit profiles of the issuers.			reinvestment risk as there could be repatriation of funds by
the Unit holders of the Scheme.	uritised Debt:			the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing
accordance with the guidelines issued by SEBI.	uritized debt is a form of conversion of normally non-tradable			lower returns. Regulatory/Legal Risk: REITs and InvITs being new asset classes,
	ns to transferable securities. This is done by assigning the loans to becial purpose vehicle (a trust), which in turn issues Pass-Through-			rights of unit holders such as right to information etc may differ
be compared with the performance of the benchmark index	tificates (PTCs). These PTCs are transferable securities with fixed ome like characteristics. The risk of investing in securitized debt is			from existing capital market asset classes under Indian Law. Procedure followed for investment decisions:
simila	ilar to investing in debt securities. In addition, securitized debt may			The Fund Manager of the Scheme is responsible for making buy/
same	o carry prepayment risk and has a relatively higher liquidity risk (the ne are explained in the sections that follow). However, if the fund			sell decisions for the Scheme's portfolio and seeks to develop a well-diversified portfolio taking into account the asset allocation
	nager evaluates that the additional risks are suitably compensated he higher returns, he may invest in securitized debt up to the limits			pattern of the scheme along with risks that are associated with such investments. The investment decisions are made on an ongoing basis
	cified. The investment shall be in securitized instruments that are ed (AA/A1+) or its equivalent, by a recognised credit rating agency			keeping in view the market conditions and other regulatory aspects.
for th	the retail pool, and for single loan securitization, limits will be			The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold
	igned as per the internal credit policy of the Fund.			ongoing meetings as well as additional ad-hoc meetings as needed, to explore the investment thesis.
The	originator is the person who has initially given the loan. The			The AMC has constituted an Investment Committee, currently
	ginator is also usually responsible for servicing the loan (i.e. ecting the interest and principal payments). An analysis of the			comprising of the CEO, COO, Head of Risk Management, Head of Equities, Head of Fixed Income that meets at periodic intervals.
origin	inator is especially important in case of retail loans as this affects credit quality and servicing of the PTC. Originators may be: Banks,			The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme
Non-	n-Banking Finance Companies, Housing Finance Companies, etc.			and the general market outlook.
the o	fund manager's evaluation will be based on the track record of originator, delinquencies in the pool and the seasoning of the			It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the
	ol. Other factors that will be considered are loan type, size of the n, average original maturity of the pool, Loan to Value Ratio,			investment objective of the Scheme and in the interest of the Unit holders of the Scheme.
	graphical distribution, liquid facility, default rate distribution, dit enhancement facility and structure of the pool.			The AMC will keep a record of all investment decisions in accordance
	k associated with each kind of originator:			with the guidelines issued by SEBI.
(a) P	Prepayment risk: MBS and ABS are subject to prepayment risk.			The AMC and Trustee will review the performance of the scheme in their Board meetings. The performance would be compared with
tł	When the underlying loans are paid off by the borrower prior to their respective due dates, this is known as a prepayment. It could			the performance of the benchmark index and with peer group in the industry.
0	be triggered on account of various factors particularly in periods of declining interest rates. The possibility of such prepayment may	Portfolio		Purchase and Sale of securities attract transaction costs of the
re	require the scheme to reinvest the proceeds of such investments in securities offering lower yields, thereby reducing the scheme's	Turnover	charges etc. The portfolio turnover is essential to regularly	nature of brokerage, stamp duty, custodian transaction charges etc. The portfolio turnover is essential to regularly explore trading
ir	interest income.		explore trading opportunities to optimise returns for the Scheme and enable portfolio restructuring when required.	opportunities to optimise returns for the Scheme and enable portfolio restructuring when required.
b	Interest rate risk: MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the		The Scheme will manage its portfolio taking into account	The Scheme will manage its portfolio taking into account the
	prevailing interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled tenure,		etc.) perceived/expected, so as to minimise the risks by	associated risks (such as interest/liquidity/redemption etc.) perceived/expected, so as to minimise the risks by using adequate
w	whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the		using adequate risk management techniques. The portfolio turnover policy will be aimed at maximising the returns/	risk management techniques. The portfolio turnover policy will be aimed at maximising the returns/growth.
n	maturity of the bond. The maturity of the bond could therefore		growth.	The Scheme is an open-ended scheme. It is expected that there would
(c) C	shorten or lengthen, depending on the prevailing interest rates. Credit risk/default risk: MBS and ABS also carry credit or default		aim to encash on the opportunities that present themselves	be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure
	risk. MBS and structures carry built –in credit enhancement in different forms. However, any delinquencies would result in		from time to time. However the scheme shall aim to achieve the turnover target of 100% to 150% of the corpus of the	of accuracy, the likely turnover in the portfolio. Pursuant to Schedule IX read with Regulation 50 of the SEBI
re	reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall.		Scheme so long as the above target is cost effective and	(Mutual Funds) Regulations, 1996, the cost of investments acquired
н	Historically, housing loans have had lower default rates than other		the investment and scheme objective.	or purchased shall include all such costs incurred for effecting the transaction while the sale proceeds of investment sold or redeemed
(d) P	forms of credit. Price risk/liquidity risk: MBS and ABS are subject to prepayment			shall be net of all such costs incurred for effecting the sale transactions and shall form part of the purchase or the sale value of investments.
	risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell		acquired or purchased shall include all such costs incurred for effecting the transaction while the sale proceeds of	
tł	them. Thus, these trades may take place at a discount, depending on the prevailing interest rates.		investment sold or redeemed shall be net of all such costs incurred for effecting the sale transactions and shall form	
In ca	case of securitization involving single loans or a small pool of		part of the purchase or the sale value of investments.	
	ns, the credit risk of the underlying borrower is analyzed. In case			Page 2 continued

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Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd.

Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

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2. Canara Robeco Equity Diversified

Particulars		Existing			I	Proposed			
Name of scheme	Canara Robeco Equity [Diversified			Canara Robeco Equity Diversified Fund				
Type of Scheme	An open-ended Equity Scheme Multi Cap Fund - An open-ended equity sc cap, mid cap, small cap stocks.					cheme inve	esting across large		
How will the scheme allocate its assets?	The Asset Allocation pa circumstances would be			under normal	The Asset Allocation patter circumstances would be as un		e Scheme	e under norma	
	Indicative allocations (% of total assets)		Instruments	Indicative allocations (% of total assets)		Risk Profile			
		Minimum	Maximum	High/Medium/ Low	Equity හ Equity Related	Minimum	Maximum		
	Equity and equity related instruments	85	100	High	Instruments Debt and money-market	65	100	High	
	Money Market instruments	0	15	Low	instruments	0	35	Low to Medium Medium to	
	Gross Notional Expos instruments for the p	,			REITs/InvITs		10	High	
	rebalancing shall not Scheme. Investment b not exceed 10% of the date of such investmen The Scheme may inves	y the Sche net assets ts. t in Foreigi	eme in AD of the Sch n Securitie	Rs/GDRs shall eme as on the s up to 10% of	As defined by SEBI Circular N dated October 06, 2017 and dated December 04, 2017 as a it defines Large Cap Companie 100 and Mid Cap Companies 250 based on their full market	d SEBI/HC amended es as thos as those v	D/IMD/DF3 from time t e which are which are ra	/CIR/P/2017/126 o time. (Currently ranked from 1 to	
	the net assets of the Sc 10% of the net assets of relevant year of the in ADRs/GDRs would be in	the Fund) vestment.	as on 31st However,	March of each investment in	Investment in Derivatives can be upto 40% of the Net Assets of th Scheme. Gross investments in securities under the Scheme which include				
	limits set for foreign set The stock lending don 15% of the net assets of lending and that the man not exceed 5% of the net lend securities shall be on securities lending ar from time to time.	curities. e by the S f the Schen aximum lin et assets of in accorda id borrowin	cheme sh ne as on th nit per inte the Schem ance with ng scheme	all not exceed he date of such hrmediary shall he. Intention to the guidelines issued by SEBI	equities, equity related instruments/securities, debt securities, mone market instruments and derivatives will not exceed 100% of the ne assets of the Scheme or such other limits as may be permitted by SEE from time to time. The Scheme may take derivatives position base on the opportunities available subject to the guidelines issued by SEE from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under th SEBI Regulations. Exposure by the scheme in derivative shall be i				
	Total of investments ir securitized debt), mor notional exposure in de the net assets of the sc	ney market erivatives s	t instrume	nts and gross	accordance with Circular No. Cir/IMD/DF/11/2010 dated August 18 2010 as may be amended from time to time. Investment by the Scheme in ADRs/GDRs shall not exceed 10% of the net assets of the Scheme as on the date of such investments.				
	The above asset allocat is not absolute and ca perception of the equity general view on interes	n vary dep y and mon	ending up ey markets	oon the AMC's s as well as the	The Scheme may invest in Foreign Securities up to 10% of the ne assets of the Scheme. However, investment in ADRs/GDRs would b included under the overall investment limits set for foreign securitie				
	indicated above may defensive consideration the asset allocation p above may change fro	thus be a ns. Subject pattern of	ltered sul to the SEE the scher	bstantially on BI Regulations, mes indicated	The stock lending done by the Scheme (if any) shall not exceed 25% of the net assets of the Scheme as on the date of such lending. Process for lending securities shall be in accordance with the guidelines of securities lending and borrowing issued by SEBI from time to time				
	market conditions, m regulations and politica clearly understood that	al and eco	nomic fact	ors. It must be	Exposure by the Scheme in Securitised Debt shall not exceed 35% of the Net Assets of Scheme at the time of investment.				
	only indicative and no vary depending upon	t absolute	. These pr	oportions can	The scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines.				
	Manager; the intention the interests of the U be reviewed periodical the aforementioned a changes. The AMC may alter the asset composii may also invest the fun in accordance with the Regulations, 1996 and time to time.	being at a Init holde Ily to addr Ilocations from time tion on def ds availabl provisions	Il times to rs. The pc ess any de interalia c to time, fo ensive con e in repos, s of SEBI (I	seek to protect ortfolio would eviations from due to market or a short term, sideration and bank deposits Mutual Funds)	The above asset allocation pattern is not absolute and can var depending upon the AMC's perception of the markets as well a the general view on interest rates. The asset allocation patter indicated above may thus be altered substantially on defensiv considerations. Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated above may change from time t time, keeping in view market conditions, market opportunitie applicable regulations and political and economic factors. It mu				
	Pending deployment of the investment objectiv invested in short term banks as permitted und	ves of the f deposits c	Fund, such of schedule	funds may be ed commercial	be clearly understood that the indicative and not absolute. The upon the perception of the Invary at all times to seek to protect portfolio would be reviewed	These prop vestment N t the inter	oortions can Aanager; th ests of the	n vary dependir ne intention beir Unit holders. Th	

any other applicable guidelines as amended or updated from time to time.

Portfolio Rebalancing:

inve	sting across large			Securities having an un-e Call or Notice Money, Cer and any other like instrum
eme under normal				Bank of India/SEBI, from
			•	Certificate of Deposit (CI
ons s)	Did Do file		•	Commercial Paper (CPs)
num	Risk Profile		•	ADR/GDR
0	High		•	Derivative instruments lik such other derivative inst

Particulars

banks as permitted under the Regulations. The investments | portfolio would be reviewed periodically to address any deviations | in these deposits shall be in accordance with SEBI Circular | from the aforementioned allocations inter alia due to market Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. changes. The AMC may from time to time, for a short term, alter the 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/ asset composition on defensive consideration and may also invest CIR No. 7/129592/08 dated 12November 2003, 16 April the funds available in repos, bank deposits in accordance with the 2007, 26 October 2007 and 23 June 2008 respective and provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

Portfolio Rebalancing:

The AMC reserves the right to change the above asset allocation The scheme would endeavor to rebalance the portfolio | pattern in the interest of the investors depending on the market

Existing	
• Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, and Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time.	Cert Len Secu alte prov othe

- :Ds);
- ;);
- ke Forward Rate Agreements and struments permitted by SEBI/RBI
- Any other like instrument/s as permitted by SEBI/RBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

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.

The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/ IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:

- 1. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- 2. Such short-term deposits shall be held in the name of the Scheme.
- 3. The Scheme shall not park more than 15% of the net commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
- 4. Parking of funds 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
- 5. The Scheme shall not park more than 10% of the net commercial bank including its subsidiaries.
- 6. The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.

The Scheme may also invest in the units/securities issued by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities or are rated as mentioned above and the registered with overseas regulators.

The Fund may also appoint overseas investment advisors and service providers, as and when permissible under the Regulation.

rtificate of Deposit, Usance Bills, Collateralized Borrowing nding Obligation, Repos හ Reverse Repos in Government curities/Treasury Bills, Bills re-discounting, MIBOR Instruments, ernative investment for the call money market as may be ovided by the RBI to meet the liquidity requirements and any ner Money market instruments specified by SEBI/RBI from time to time

Proposed

- Foreign Securities including ADR/GDR as permitted by the RBI and SEBI
- Securitised Debt The Scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be residential or commercial in nature. ABS/MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
- Pass through Certificate (PTC) (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two-wheeler loans and other assets subject to applicable regulations.
- Derivative instruments like index futures, stock futures, index options, stock option, warrants, convertible securities, Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations.
- REITs/InvITs The scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines
- Any other like instrument/s as permitted by SEBI/RBI from time to time.

The securities mentioned above could be listed, unlisted, privately assets in short term deposit(s) of all the scheduled placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

Investment in other Schemes:

assets in short term deposit(s), with any one scheduled The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which:

- The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.
- The Scheme shall not make any investment in any fund of fund scheme

Short Term Deposits:

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.

The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 07 and 23 June 2008 respective

Investment Committee shall then decide on the cou of action. However, at all times the AMC shall ended to ensure that the portfolio would adhere to the over investment objective of the schemes. Limits to make Overseas Investments: The Schemes are permitted under SEBI Circular No. SI IMD/CIR No. 7/104753/07 dated 26th September, 2 to make overseas investments subject to the maximur US\$ 300.00 million per mutual fund, subject to an over limit of US\$ 7.00 billion or such other limit as prescriber SEBI from time to time. Subject to approval from RBI/SEBI, the Fund may o foreign currency accounts abroad directly or through Custodian to facilitate investments and to deal in curre contracts, futures, options for the purpose of hedging risk of assets. The Fund may also appoint intermedian sub- custodians or other agencies for managing administering such investments.	 all the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. Limits to make Overseas Investments: The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated 26th September, 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall limit of US\$ 7.00 billion or such other limit as prescribed by SEBI from time to time. Subject to approval from RBI/SEBI, the Fund may open foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and administering such investments. Exposure to Derivatives: The Schemes shall follow exposure limits on Derivatives as per the exposure limits prescribed by the Board of Trustees. SEBI vide its circular No. DNPD/Cir-29/2005 dated September 14, 2005 permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI. Mutual Funds are permitted to participate in the derivatives market at par with Foreign Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in index futures, index options, stock options and stock futures contracts. The AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and as per procedure 	What are the investment strategies?	Investment Focus and strategy: The Scheme would adopt bottom-up approach to investing. The investment emphasis of the scheme will be in identifying companies with strong competitive position in good business and having quality management. The AMC will follow an active investment style supported by in-house research. Essentially, the focus would be on fundamentally strong companies with scope for good growth over time. The AMC, in selecting the scrips will focus on the fundamentals of the business, the industry structure, the quality of management sensitivity to economic factors, the financial	supported by in-house research. Essentially, the focus would be on fundamentally strong companies with scope for good growth over time. The AMC, in selecting the scrips will focus on the fundamentals of the business, the industry structure, the quality of management sensitivity to economic factors, the financial strength of the company
	 the right to obtain equity shares. Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted. 		committee. The focus of the Scheme is to achieve the investment objective through investments in a combination of debt and money markets instruments having varied yields and maturity profile besides equity and equity related asset class. Apart from investment restrictions under SEBI (MF)	 The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances: During extreme volatility/ill-liquidity in the capital market/ securities market. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security. Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch. During the time, the fund receives bulk repurchase and/or bulk investment. A review will be made as and when such variation takes place, and,

Canara Robeco Mutual Fund Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No : U65990MH1993PLC071003

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continued from			1		
Particulars	Existing any internal norms vis-a-vis limiting exposure to a particular	Proposed monitored and such variation will be brought down to the specified	Particulars	Existing	Proposed In case of securitization involving single loans or a small pool of
	scrip or sector etc. However, the Fund may consider imposing any restrictions depending on the changes in the	asset allocation levels as soon as normalcy is restored. A report of			loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans
	investment environment from time to time. Investments	on a regular basis.			is analyzed to assess the credit risk. Securitization transactions
	may be made in primary as well as secondary markets. As far as possible, the portfolio will be adequately diversified	Risk Mitigation:			may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the
	to reduce the risk of underperformance, arising out of unexpected security-specific factors. The Scheme may	Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in			underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying
	invest in overseas equity markets like ADRs/GDRs (subject to relevant RBI/SEBI guidelines/approvals).	portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been thoroughly			loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity/subordinate tranche (issue of PTCs
	The Scheme being open-ended, some portion of the	analyzed by the AMC. Through adequate diversification of the portfolio, the AMC tries to			of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and/or guarantees.
	portfolio may be invested in Money Market Instruments so as to meet the normal repurchase requirements. The	reduce the risk. Diversification will also be achieved by spreading the			Minimum retention period of the debt by originator prior to
	remaining investment will be made in securities which are either expected to be reasonably liquid or of varying	investments over a diverse range of industries/sectors. The Scheme, generally does not intend investing in illiquid and unlisted equity			securitization
	maturity. However, the NAV of the Scheme may be affected, if the securities invested in are rendered illiquid	related securities. However, if the case merits, the Scheme may invest in such securities adhering to prudential norms on a case to case basis.			Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement
	after investment.	The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified.			and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before
	As per the current guidelines of RBI, Mutual Funds currently ceased to access the call money market. The	The Scheme being open ended, some portion of the portfolio may			they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in
	Schemes therefore avail the facility of reverse repos/ CBLO (Collateralized Borrowing and Lending Obligations)	be invested in Money Market Instruments so as to meet the normal repurchase requirements. The remaining investment will be made			securitized debt that is in compliance with the regulations.
	to temporarily invest short term liquidity and to meet	in securities which are either expected to be reasonably liquid or of varying maturity. However, the NAV of the Scheme may be affected,			Minimum retention percentage by originator of debts to be securitized
	redemption/repurchase requirements. The Scheme may also use various derivatives and hedging	if the securities invested in are rendered illiquid after investment.			RBI norms cover the "true sale" criteria including credit enhancement
	products from time to time as would be available and permitted by SEBI in an attempt to protect the value of the	In addition, the Investment Manager will study the macro economic conditions, including the political, economic environment and factors			and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum
	portfolio and enhance unit holder's interest.	affecting liquidity and interest rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and			retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention
	In addition, the Investment Manager will study the macro economic conditions, including the political, economic	position the portfolio appropriately to take advantage of the same. The Scheme may use derivatives instruments like Stock/Index Futures			requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in
	environment and factors affecting liquidity and interest rates. The Investment Manager would use this analysis	or Options, Interest Rate Futures, Interest Rate Swaps, Forward			compliance with the regulations. Mechanism to tackle conflict of interest when the mutual fund
	to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.	Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging or portfolio			invests in securitised debt of an originator and the originator in turn
	Investment Pattern and changes:	balancing or any other purpose as allowed under the regulations, within the permissible limit of the portfolio, which may be increased			makes investments in that particular scheme of the fund The key risk in securitized debt relates to the underlying borrowers
	The above investment pattern is indicative and may	as permitted under the Regulations and guidelines from time to time. As a prudent measure, the AMC has broad internal investment norms			and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However,
	be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations	and investments made through the scheme would be in accordance			the originator is also usually responsible for servicing the loan (i.e.
	from time to time, under the following circumstances: 1. During extreme volatility/ill-liguidity in the capital	with the investment objectives of the schemes and provisions of SEBI Regulations.			collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure
	market/securities market.	Debt Securities:			that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same
	2. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.	Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the			at regular interval. Resources and mechanism of individual risk assessment for
	3. Declaration of war or occurrence of insurgency, or	investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record			monitoring investment in securitized debt – credit analyst prepares a
	any other serious or sustained financial, political or industrial emergency or disturbance, resulting in	as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be			credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head
	liquidity crunch. 4. During the time the Fund receives bulk repurchase and/	guided by the ratings of accredited agencies such as CRISIL, CARE, ICRA etc. as well as the internal norms for credit exposure. Investments			of Fixed Income and is approved by the Investment committee. The credit analyst shall be responsible for timely analyzing the risk
	or bulk investment.	made by the schemes would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since			and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the
	A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons	investing required disciplined risk management, the AMC would			outstanding position, every quarter.
	thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation	incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks			While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be
	will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations	through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would			completely eliminated. Risk Factors Associated with Investments in REITs and InvITs:
	will be made to the Board of the AMC and the Trustees on	help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower			Market Risk: REITs and InvITs Investments are volatile and subject
	a regular basis. Risk Mitigation:	levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities			to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary
	Investments made by the schemes would be in accordance	proposed to be invested in. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance			due diligence but actual market movements may be at variance with the anticipated trends.
	with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing required	that these risks would be completely eliminated.			• Liquidity Risk: As the liquidity of the investments made by
	disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio	-			the Scheme could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting
	construction process. The risk control process involves	The Fund may invest in overseas debt/equities/ADR's/GDR's with the approval of RBI/SEBI, subject to such guidelines as may be issued by			of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the
	care however not to dilute returns in the process. The AMC	be affected adversely by fluctuations in the value of certain foreign			event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.
	believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to	currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be			• Reinvestment Risk: Investments in REITs & InvITs may carry
	identify securities, which offer superior levels of yield at lower levels of risk. With the aim of controlling risks, the	affected by changes in the regulatory and political environments. The			reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc.
	investment team of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in.	and specific level of interest rates internationally, or the change in the credit profiles of the issuers.			Consequently, the proceeds may get invested in assets providing lower returns.
	While these measures are expected to mitigate the above	Securitised Debt:			Regulatory/Legal Risk: REITs and InvITs being new asset classes,
	risks to a large extent, there can be no assurance that these risks would be completely eliminated.	Securitized debt is a form of conversion of normally non-tradable			rights of unit holders such as right to information etc may differ from existing capital market asset classes under Indian Law.
	Procedure followed for investment decisions:	loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-			Procedure followed for investment decisions:
	The Fund Manager of the Scheme is responsible for making buy/sell decisions for the Scheme's portfolio and seeks to	Certificates (PTCs). These PTCs are transferable securities with fixed income like characteristics. The risk of investing in securitized debt is			The Fund Manager of the Scheme is responsible for making buy/ sell decisions for the Scheme's portfolio and seeks to develop a
	develop a well-diversified portfolio taking into account the	similar to investing in debt securities. In addition, securitized debt may also carry prepayment risk and has a relatively higher liquidity risk (the			well-diversified portfolio taking into account the asset allocation pattern of the scheme along with risks that are associated with such
	asset allocation patterns of various schemes along with risks that are associated with such investments. The investment	same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated			investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.
	decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.	by the higher returns, he may invest in securitized debt up to the limits			The Fund Manager is responsible for facilitating investment debate
	The AMC has constituted an Investment Committee,	specified. The investment shall be in securitized instruments that are rated (AA/A1+) or its equivalent, by a recognised credit rating agency			and a robust investment culture. The investment team would hold ongoing meetings as well as additional ad-hoc meetings as needed,
	Management, Head of Equities, Head of Fixed Income that	for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund.			to explore the investment thesis.
	meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the	Policy relating to originators:			The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Functional Used of Citized Inserts and straight, intervented and the straight of th
	Scheme, review the performance of the Scheme and the general market outlook.	The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e.			Equities, Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment
	The Fund Manager is responsible for facilitating investment	collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects			strategies for the Scheme, review the performance of the Scheme and the general market outlook.
	debate and a robust investment culture. The investment team would hold ongoing meetings as well as additional ad-	the credit quality and servicing of the PTC. Originators may be: Banks, Non-Banking Finance Companies, Housing Finance Companies, etc.			It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the
	hoc meetings as needed, to explore the investment thesis. It is the responsibility of the AMC to seek to ensure that the	The fund manager's evaluation will be based on the track record of			investment objective of the Scheme and in the interest of the Unit
	investments are made as per the Regulatory guidelines, the	pool. Other factors that will be considered are loan type, size of the			holders of the Scheme. The AMC will keep a record of all investment decisions in accordance
	investment objective of the Scheme and in the interest of the Unit holders of the Scheme(s).	geographical distribution, liquid facility, default rate distribution,			with the guidelines issued by SEBI.
	The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.	credit enhancement facility and structure of the pool. Risk associated with each kind of originator:			The AMC and Trustee will review the performance of the scheme in their Board meetings. The performance would be compared with
	The AMC and Trustee will review the performance of the	(a) Prepayment risk: MBS and ABS are subject to prepayment risk.			the performance of the benchmark index and with peer group in the industry.
	scheme in their Board meetings. The performance would be compared with the performance of the benchmark index	When the underlying loans are paid off by the borrower prior to their respective due dates, this is known as a prepayment. It could	Portfolio Turnover		Purchase and Sale of securities attract transaction costs of the nature of brokerage, stamp duty, custodian transaction charges
	and with peer group in the industry.	be triggered on account of various factors particularly in periods of declining interest rates. The possibility of such prepayment may		charges etc. The portfolio turnover is essential to regularly	etc. The portfolio turnover is essential to regularly explore trading
		require the scheme to reinvest the proceeds of such investments in securities offering lower yields, thereby reducing the scheme's		Scheme and enable portfolio restructuring when required.	
		interest income.			The Scheme will manage its portfolio taking into account the associated risks (such as interest/liguidity/redemption etc.)
		(b) Interest rate risk: MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the		etc.) perceived/expected, so as to minimise the risks by	perceived/expected, so as to minimise the risks by using adequate risk management techniques. The portfolio turnover policy will be
		prevailing interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled tenure,		turnover policy will be aimed at maximising the returns/	aimed at maximising the returns/growth.
		whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the			The Scheme is an open-ended scheme. It is expected that there would be a number of subscriptions and redemptions on a daily basis.
		maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates.			Consequently, it is difficult to estimate with any reasonable measure
		(c) Credit risk/default risk: MBS and ABS also carry credit or default		the turnover target of 100% to 150% of the corpus of the	Pursuant to Schedule IX read with Regulation 50 of the SEBI
		risk. MBS and structures carry built –in credit enhancement in different forms. However, any delinquencies would result in		profitable without affecting long-term growth prospects of	(Mutual Funds) Regulations, 1996, the cost of investments acquired or purchased shall include all such costs incurred for effecting the
		reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall.			transaction while the sale proceeds of investment sold or redeemed shall be net of all such costs incurred for effecting the sale transactions
		Historically, housing loans have had lower default rates than other forms of credit.			and shall form part of the purchase or the sale value of investments.
		(d) Price risk/liquidity risk: MBS and ABS are subject to prepayment		for effecting the transaction while the sale proceeds of investment sold or redeemed shall be net of all such costs	
		risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell		incurred for effecting the sale transactions and shall form	
		them. Thus, these trades may take place at a discount, depending on the prevailing interest rates.		part of the purchase or the sale value of investments.	Page 4 continued
					ruge 4 continued

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd.

Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

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3. Canara Robeco Emerging Equities

Particulars	Exi	sting			Proposed			
Type of Scheme	An open-ended Equity Scher	ne			Large හ Mid Cap Fund - An open-ended equity scheme investir both large cap and mid cap stocks			ne investing in
Investment Objective	in diversified mid-cap stocks. However, there can be no				To generate capital appreciation by investing in a diversified portfolic of large and mid-cap stocks. However, there can be no assurance that the investment objective of the scheme will be realized.			
How will the scheme allocate	The Asset Allocation pattern circumstances would be as u		neme unde	er normal	The Asset Allocation pattern of the Scheme under normal circumstances would be as under:			
its assets?	Instruments	Indicative allocations (% of total assets)		Risk Profile	Instruments	Indicative allocations (% of total assets)		Risk Profile
		Minimum	Maximum	Profile		Minimum	Maximum	
	Midcap equity & equity related instruments				Large Cap equity and equity related instruments*	35	65	High
	falling within the market capitalization range of the underlying benchmark*#	zation range of the	100	High	Mid Cap equity and equity related instruments*	35	65	High
	Equity & equity related instruments of Companies other than the above	0	35	High	Other equity and equity related instruments, debt and money market instruments	0	30	Medium to High
	Domestic Debt and Money Market Instruments	0	35	Low	REITs/InvITs	0	10	Medium to High
	*These companies forming p	art of the r	ortfolio w	ould have	*As defined by SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2017/114			

'These companies forming part of the portfolio, would have | Free Float Midcap 100' is the benchmark of the fund.

Gross Notional Exposure by the Scheme in derivative rebalancing shall not exceed 30% of the Net Assets of Scheme. date of such investments.

limits set for foreign securities.

The stock lending done by the Scheme shall not exceed 15% of the net assets of the Scheme as on the date of such lending and that the maximum limit per intermediary shall on securities lending and borrowing scheme issued by SEBI from time to time.

the net assets of the scheme.

perception of the equity and money markets as well as the | the Net Assets of Scheme at the time of investment. general view on interest rates. The asset allocation pattern The Scheme may invest in Units issued by REITs and InvITs as per indicated above may thus be altered substantially on SEBI guidelines. defensive considerations. Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated Asset Allocation: time to time.

Portfolio Rebalancing:

market capitalization between the highest and the lowest dated October 06, 2017 and SEBI/HO/IMD/DF3/CIR/P/2017/126 components of the underlying benchmark, and may or may dated December 04, 2017 as amended from time to time. (Currently not be a constituent of the underlying benchmark. #'Nifty | it defines Large Cap Companies as those which are ranked from 1 to 100 and Mid Cap Companies as those which are ranked from 101 to 250 based on their full market capitalization.)

instruments for the purpose of hedging and portfolio Investment in Derivatives can be upto 40% of the Net Assets of the

Scheme. Investment by the Scheme in ADRs/GDRs shall Gross investments in securities under the Scheme which includes not exceed 10% of the net assets of the Scheme as on the equities, equity related instruments/securities, debt securities, money market instruments and derivatives will not exceed 100% of the net The Scheme may invest in Foreign Securities up to 10% of assets of the Scheme or such other limits as may be permitted by SEBI the net assets of the Scheme (subject to an overall limit of from time to time. The Scheme may take derivatives position based 10% of the net assets of the Fund) as on 31st March of each | on the opportunities available subject to the guidelines issued by SEBI relevant year of the investment. However, investment in from time to time and in line with the overall investment objective of ADRs/GDRs would be included under the overall investment the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 as may be amended from time to time.

not exceed 5% of the net assets of the Scheme. Intention to Investment by the Scheme in ADRs/GDRs shall not exceed 10% of lend securities shall be in accordance with the guidelines the net assets of the Scheme as on the date of such investments.

The Scheme may invest in Foreign Securities up to 10% of the net assets of the Scheme. However, investment in ADRs/GDRs would be Total of investments in Equity, debt securities (including included under the overall investment limits set for foreign securities. securitized debt), money market instruments and gross | The stock lending done by the Scheme (if any) shall not exceed 25% of notional exposure in derivatives shall not exceed 100% of the net assets of the Scheme as on the date of such lending. Process for lending securities shall be in accordance with the guidelines on

The above asset allocation pattern given for the scheme securities lending and borrowing issued by SEBI from time to time. is not absolute and can vary depending upon the AMC's | Exposure by the Scheme in Securitised Debt shall not exceed 30% of

above may change from time to time, keeping in view | The above asset allocation pattern is not absolute and can vary market conditions, market opportunities, applicable depending upon the AMC's perception of the markets as well as regulations and political and economic factors. It must be the general view on interest rates. The asset allocation pattern clearly understood that the percentages stated above are indicated above may thus be altered substantially on defensive only indicative and not absolute. These proportions can considerations. Subject to the SEBI Regulations, the asset allocation vary depending upon the perception of the Investment | pattern of the schemes indicated above may change from time to Manager; the intention being at all times to seek to protect | time, keeping in view market conditions, market opportunities, the interests of the Unit holders. The portfolio would applicable regulations and political and economic factors. It must be reviewed periodically to address any deviations from be clearly understood that the percentages stated above are only the aforementioned allocations interalia due to market | indicative and not absolute. These proportions can vary depending changes. The AMC may from time to time, for a short term, upon the perception of the Investment Manager; the intention being alter the asset composition on defensive consideration and at all times to seek to protect the interests of the Unit holders. The may also invest the funds available in repos, bank deposits portfolio would be reviewed periodically to address any deviations in accordance with the provisions of SEBI (Mutual Funds) from the aforementioned allocations inter alia due to market Regulations, 1996 and the circulars issued by SEBI from changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos. bank deposits in accordance with the

Particulars	Existing	Proposed
	Securities created and issued by the Central and State Governments and/or repos/reverse repos/in such	drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed
	Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero	or unlisted.
	coupon bonds and treasury bills)	Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having
	Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, and Government	an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Collateralized Borrowing
	Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills	Lending Obligation, Repos හ Reverse Repos in Government Securities/Treasury Bills, Bills re-discounting, MIBOR Instruments,
	and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time.	alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements and any
	Certificate of Deposit (CDs);	other Money market instruments specified by SEBI/RBI from time to time.
	 Commercial Paper (CPs); ADR/GDR 	• Foreign Securities - including ADR/GDR as permitted by the RBI
	Derivative instruments like Forward Rate Agreements and	 and SEBI. Securitised Debt - The scheme may invest in domestic securitized
	 such other derivative instruments permitted by SEBI/RBI Any other like instrument/s as permitted by SEBI/RBI 	debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the
	from time to time	underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the
	The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and	underlying assets are receivables arising from loans backed by
	of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations,	mortgage of properties which can be residential or commercial in nature. ABS/MBS instruments reflect the undivided interest in the deduction of the statement of the statement while of the
	private placement or rights offers. All investments in securities whether privately placed or otherwise will be in	the underlying of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables.
	line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated	The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer credit
	securities will be in accordance with SEBI guidelines as applicable.	losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As
	Pending deployment of funds of a scheme in terms of	compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
	investment objectives of the scheme, the Mutual Fund may invest them in short term deposits of schedule commercial	 Pass through Certificate (PTC) - (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool
	banks, subject to such Guidelines as may be specified by the Board.	of cash flows. These cash flows represent dues against single or
	The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/	multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may
	IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November	be backed, but not exclusively, by receivables of personal loans, car loans, two-wheeler loans and other assets subject to applicable
	2003, 16 April 2007, 26 October 2007 and 23 June 2008	regulations. • Derivative - instruments like index futures, stock futures, index
	respective and any other applicable guidelines as amended or updated from time to time. The Scheme(s) shall abide	options, stock option, warrants, convertible securities, Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements, or
	by the following guidelines for parking of funds in short term deposits:	any other derivative instruments that are permissible or may be
	1. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.	permissible in future under applicable regulations. • REITs/InvITs - The scheme may invest in Units issued by REITs and
	2. Such short-term deposits shall be held in the name of	InvITs as per SEBI guidelines • Any other - instruments as may be permitted by SEBI/RBI/such
	the Scheme. 3. The Scheme(s) shall not park more than 15% of the	other regulatory authority from time to time.
	net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may	The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity.
	be raised to 20% with prior approval of the Trustees.	The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All
	4. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not	investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment
	exceed 20% of total deployment by the Mutual Fund in short term deposits.	objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.
	5. The Scheme(s) shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled	Investment in other Schemes:
	commercial bank including its subsidiaries.	The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII
	6. The Scheme(s) shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The	Schedule to the SEBI (Mutual Funds) Regulations, 1996 according
	aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives	to which: • The Scheme may invest in another scheme under the same
	market. The Scheme may also invest in the units/securities issued	asset management company or in any other mutual fund without charging any fees, provided the aggregate inter
	by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities or are rated as mentioned above and	scheme investments made by all the Schemes under the same management or in schemes under the management of any other
	the registered with overseas regulators.	AMC shall not exceed 5% of NAV of the mutual fund.
	The Fund may also appoint overseas investment advisors and service providers, as and when permissible under the	• The Scheme shall not make any investment in any fund of fund scheme.
	Regulation.	Short Term Deposits:
		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.
		The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR
		No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No.
		7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable
		guidelines as amended or updated from time to time. The Scheme shall abide by the following guidelines for parking of funds in short
		term deposits: • "Short Term" for parking of funds shall be treated as a period not
		exceeding 91 days.
		Such short-term deposits shall be held in the name of the Scheme.The Scheme shall not park more than 15% of the net assets in
		short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior
		 approval of the Trustees. Parking of funds 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.The Scheme shall not park more than 10% of the net assets in
		short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
		 The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The aforesaid limits shall not
		be applicable to term deposits placed as margins for trading in
		cash and derivatives market. The Scheme may also invest in the units/securities issued by overseas
		Mutual Funds or Unit Trusts which invest in the aforesaid securities and registered with overseas regulators.
		The Fund may also appoint overseas investment advisors and service
hat are the	The Scheme is an open-ended scheme with an objective	providers, as permissible under the Regulation. The scheme is an open-ended scheme with the objective to generate
vestment rategies?	to generate long term capital appreciation by primarily investing in diversified mid cap stocks that have potential to	long term capital appreciation by investing in a diversified portfolio of large and mid-cap stocks.
-	emerge as the bigger Corporates with higher performance. The Scheme will essentially be focusing on corporates	The Scheme will essentially be focusing on companies which have
	which have huge potential to emerge as bigger corporates with robust performance. Indian corporates have emerged	huge potential to emerge as larger companies to match their global peers. India is home to some of the world class companies. These
	as globally competitive, cost conscious, profit oriented	companies may, today, form part of the Indian large cap or mid cap universe. But, global peers of such companies have large and
	enterprises with the built-in capacity to exploit the global opportunities. With such robust business model,	diversified businesses and they command very larger market caps. These Indian companies have the potential to grow as big as or even
	though they are mid-sized/small sized in terms of market capitalization today, they have the potential to emerge as	bigger than their global counterparts aided by various factors like the pace of growth of the Indian economy, India's huge demographic
	blue chips of tomorrow. The dynamically changing and fastest growing Indian	advantage, the macro-economic and political stability, more recently the availability of foreign capital, etc. As the economy transitions
	economy is enabling entrepreneurs to capitalize on the growth opportunities. The scheme is designed to invest	from an emerging economy to a more developed economy, these will be certain set of companies in India which will do better than
	in shares of those companies, which hold high potential	others and the fund will try to identify such companies and invest
	to emerge as the better performers in the future. These companies which are having small market capitalisation	for the long term. The criteria of selection of scrips for investment under Canara Robeco

The scheme would endeavour to rebalance the portfolio within 10 days. In the event of the scheme not being	issue
rebalanced within the aforesaid period, justification for	Portf
the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing. Investment Committee shall then decide on the course of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall investment objective of the schemes.	The A patte cond case carry balar

Limits to make Overseas Investments:

The Schemes are permitted under SEBI Circular No. SEBI/ IMD/CIR No. 7/104753/07 dated 26th September, 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall Limits to make Overseas Investments: limit of US\$ 7.00 billion or such other limit as prescribed by The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR SEBI from time to time.

Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the Subject to approval from RBI/SEBI, the Fund may open foreign risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and administering such investments.

Exposure Limits in Derivatives:

	The Schemes shall follow exposure limits on Derivatives as per the limits permitted under the Regulations and shall be within the limits prescribed by the Board of Trustees, as provided above.	Exposure to Derivatives: The Schemes shall follow exposure limits on Derivatives as the exposure limits permitted under the Regulations as per Circular No. DNPD/Cir-29/2005 dated 14th September 2005 shall be within the limits prescribed by the Board of Trustees. vide its circular no. DNPD/Cir-29/2005 dated September 14, 2 permitted mutual funds to participate in derivatives trading sul to the observance of guidelines issued by SEBI. Mutual Funds permitted to participate in the derivatives market at par with For Institutional Investors (FII). Accordingly, the mutual funds sha treated at par with a registered FII in respect of position limit in in futures, index options, stock options and stock futures contracts. Mutual Fund will be considered as trading members like regist FIIs and the schemes of Mutual Funds will be treated as clients sub-accounts of FIIs. As a part of the fund management pro- the AMC may use appropriate derivative instruments in accords with the investment objectives of the Scheme and as per proce prescribed under the stated circular.
Where will the scheme invest?	Subject to the Regulations, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the	Subject to the Regulations, the corpus of the Scheme may be inve in all or any one of (but not exclusively) the following securities
	 following securities: Equity and equity related instruments including preference shares, convertible bonds and debentures and warrants carrying the right to obtain equity shares. 	 Equity and equity related instruments - including preferences of the shares, convertible bonds and debentures and warrants carres the right to obtain equity shares. Debt Instruments - include Govt. of India securities (zero course)
	 Foreign Securities in the countries with fully convertible currencies, short term instruments with highest rating (Foreign Currency Credit Rating) by accredited/registered credit rating agencies, such as A-1/AAA by Standard and Poor, P-1/AAA by Moody's, F1/AAA by Fitch IBCA, etc. 	or coupon bearing Bonds), State Govt. Bonds Bonds issue local Govt., Govt. Agencies and other statutory bodies (wit without Govt. Guarantee), Bonds of Public Sector Undertaki Debentures issued by public, private sector undertakings, Fina Institutions with or without ratings, Usance Bills (Bills of Excha

2	provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.	
r	Portfolio Rebalancing:	
2	The AMC reserves the right to change the above asset allocation	
2	pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In	

any deviation from the asset allocation, the fund manager will / out rebalancing within 30 days. Where the portfolio is not reanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

No. 7/104753/07 dated 26th September, 2007 to make overseas Subject to approval from RBI/SEBI, the Fund may open investments subject to the maximum of US\$ 300.00 million per foreign currency accounts abroad directly or through its | mutual fund, subject to an overall limit of US\$ 7.00 billion or such other limit as prescribed by SEBI from time to time.

> currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and

pe SEBI and SEBI 2005 bject are eign ll be ndex The ered like cess ance dure ested ence

ying

ioqi d by th or ings ncial Institutions with or without ratings, Usance Bills (Bills of Exchange companies which are having small market capitalisation | The criteria of selection of scrips for investment under Canara Robeco eventually grow big. Such companies command low P/E Emerging Equities will include the following: ratio as compared to industry P/E. When they achieve

and consequently the P/E ratio would improve thereby

higher growth rate, automatically the value get unlocked 1) Companies commanding or having the potential to command high ROE or ROCE

Page 5 continued.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

continued from previous page

continued from	previous page				
Particulars	Existing	Proposed	Particulars	Existing	Proposed
		2) Companies which are well positioned to benefit in a dynamically		The AMC and Trustee will review the performance of the	
	the potential of becoming the blue chips of the market tomorrow.	changing competitive environment		scheme in their Board meetings. The performance would be compared with the performance of the benchmark index	The originator is the person who has initially given the loan. T
	Research has become an integral part of the activities of the	3) Companies at an advantage to maximize their share in the increasing profit pool of a particular sector or theme		and with peer group in the industry.	originator is also usually responsible for servicing the loan (i collecting the interest and principal payments). An analysis of t
	almost every sector. Research facilitates product innovation,				originator is especially important in case of retail loans as this affe
	differentiation and diversification. Corporates which have				the credit quality and servicing of the PTC. Originators may be: Ban
	leverage on research facility are uniquely placed to exploit				Non-Banking Finance Companies, Housing Finance Companies, e
	global opportunities and thereby achieve higher level of	6) Huge untapped market potential			The fund manager's evaluation will be based on the track record
	growth. Such companies offer good scope for investments.				the originator, delinquencies in the pool and the seasoning of pool. Other factors that will be considered are loan type, size of
	For every industrial activity, value addition has become an				loan, average original maturity of the pool, Loan to Value Ra
	order of the day in order to move in the value chain. The corporates which have the potential and imagination to add	 Companies with opportunities on account of outsourcing namely, contract research and manufacturing 			geographical distribution, liquid facility, default rate distributi
	value would be able to differentiate themselves and in the	5			credit enhancement facility and structure of the pool.
	process command higher market share. Such companies	The investment emphasis of the scheme will be in identifying companies with strong competitive position in good business and			Risk associated with each kind of originator:
	offer good scope for investments.	having quality management. The AMC will follow an active investment			(a) Prepayment risk: MBS and ABS are subject to prepayment I
	On account of the cost advantage and availability of skilled	style supported by in-house research. Essentially, the focus would be			When the underlying loans are paid off by the borrower prio
	manpower, the global companies are turning to India	on fundamentally strong companies with scope for good growth over time. The AMC, in selecting the scrips will focus on the fundamentals			their respective due dates, this is known as a prepayment. It co
	result, the Indian corporates are well positioned to provide	of the business, the industry structure, the quality of management			be triggered on account of various factors particularly in peri of declining interest rates. The possibility of such prepayment i
	such products and services and enhance their earnings	sensitivity to economic factors, the financial strength of the company			require the scheme to reinvest the proceeds of such investme
	considerably. Such corporates offer scope for investments	and the key earnings drivers.			in securities offering lower yields, thereby reducing the scher
	with a possible upside in market capitalization in future.	Investment Pattern and changes:			interest income.
	The scheme will look for companies, which are reasonably	The above investment pattern is indicative and may be changed by the			(b) Interest rate risk: MBS carry interest rate risk. Home I
	valued and are having high earnings growth potential. For the purpose of this Fund, Mid & Small Cap Companies	Investment Manager for defensive considerations and in accordance			borrowers are provided the facility of refinancing their loans a prevailing interest rates. A lowering of interest rates could inc
	are defined as those which are ranked from 151 to 500	with change in Regulations from time to time, under the following			a borrower to pay his loan off earlier than the scheduled ten
	on the basis of market capitalisation. The ranking will be				whereas if the interest rates move upward, the borrower we
		• During extreme volatility/ill-liquidity in the capital market/			tend to hold on to his loan for a longer period, thus increasing
	the companies falling between these ranges. The Scheme will endeavour to outperform plain vanilla equity schemes				maturity of the bond. The maturity of the bond could there shorten or lengthen, depending on the prevailing interest ra
	which are far more diversified in their portfolio weightage	• In case of natural calamity, strikes, nots, bandris etc., anecting the			(c) Credit risk/default risk: MBS and ABS also carry credit or de
	to minimize risks. While these emerging equities would	valuation of security.			risk. MBS and structures carry built –in credit enhancemen
	be subject to comparatively higher risks, they also present	 Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency 			different forms. However, any delinquencies would resu
	attractive long term investment opportunities.	or disturbance, resulting in liquidity crunch.			reduction of the principal amount if the amount available in
	The criteria of selection of scrips for investment under	• During the time, the Fund receives bulk repurchase and/or bulk			credit enhancement facility is not enough to cover the short Historically, housing loans have had lower default rates than o
	Canara Robeco Emerging Equities will include the following:	investment.			forms of credit.
	 Companies commanding low P/E Ratio as compared to the industry P/E 	A review will be made as and when such variation takes place, and,			(d) Price risk/liquidity risk: MBS and ABS are subject to prepaym
	2) Market Cap being less today	if the variation is beyond 10%, the reasons thereof will be recorded.			risk. Limited volumes of trading in securitized paper in second
	3) Consistent growth potential	The variation from the stated asset allocation will be constantly			market could restrict or affect the ability of the scheme to re them. Thus, these trades may take place at a discount, depend
	4) Niche with high and increasing profit margin	monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of			on the prevailing interest rates.
	5) Huge untapped market potential	such variations will be made to the Board of the AMC and the Trustees			In case of securitization involving single loans or a small poo
	6) Research driven companies	on a regular basis.			loans, the credit risk of the underlying borrower is analyzed. In
	7) Scope for value added services	Risk Mitigation:			of diversified pools of loans, the overall characteristic of the lo
		Since investing requires disciplined risk management, the AMC			is analyzed to assess the credit risk. Securitization transact may include some risk mitigants (to reduce credit risk). These
	namely, contract research and manufacturing	would incorporate adequate safeguards for controlling risks in			include interest subvention (difference in interest rates on
	9) Scope for increasing PE to Growth - the stocks identified	portfolio construction process. Stock specific risk will be minimized			underlying loans and the PTC serving as margin against defau
	shall achieve the higher growth in the P/E Ratio as	by investing only in those companies that have been thoroughly			overcollateralization (issue of PTCs of lesser value than the under
	compared to the growth in the net profit, going forward.	analyzed by the AMC.			loans, thus even if some loans default, the PTC continues to ren protected), presence of an equity/subordinate tranche (issue of l
	of the companies in the past four guarters and also	Through adequate diversification of the portfolio, the AMC tries to reduce the risk. Diversification will also be achieved by spreading the			of differing seniority when it comes to repayment - the senior tran
	keeping in view the future potential.	investments over a diverse range of industries/sectors. The Scheme,			get paid before the junior tranche) and/or guarantees.
	The investment emphasis of the scheme will be in	generally does not intend investing in illiquid and unlisted equity			Minimum retention period of the debt by originator price
	identifying companies with strong competitive position in	related securities. However, if the case merits, the Scheme may invest			securitization.
	good business and having quality management. The AMC				Issuance of securitized debt is governed by the Reserve Bank of Ir
	will follow an active investment style supported by in-house research. Essentially, the focus would be on long-term	The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified.			RBI norms cover the "true sale" criteria including credit enhancer
	fundamentally driven values.	The Scheme being open ended, some portion of the portfolio may			and liquidity enhancements. In addition, RBI has proposed minir holding period of between nine and twelve months for assets be
		be invested in Money Market Instruments so as to meet the normal			they can be securitized. The minimum holding period depend
	Investment Pattern and changes:	repurchase requirements. The remaining investment will be made			the tenure of the securitization transaction. The Scheme will inve
	The above investment pattern is indicative and may be changed by the Investment Manager for defensive	in securities which are either expected to be reasonably liquid or of			securitized debt that is in compliance with the regulations.
	considerations and in accordance with change in Regulations	varying maturity. However, the NAV of the Scheme may be affected,			Minimum retention percentage by originator of debts t
	from time to time, under the following circumstances:	Il the securities invested in ale fendered iniquid alter investment.			securitized
	1. During extreme volatility/ill-liquidity in the capital	In addition, the Investment Manager will study the macro economic conditions, including the political, economic environment and factors			RBI norms cover the "true sale" criteria including credit enhancer
	market/securities market.	affecting liquidity and interest rates. The Investment Manager would			and liquidity enhancements, including maximum exposure by
	2. In case of natural calamity, strikes, riots, bandhs etc.,	use this analysis to assess the likely direction of interest rates and			originator in the PTCs. In addition, RBI has proposed minin retention requirement of between five and ten percent of
	affecting the valuation of security.	position the portfolio appropriately to take advantage of the same.			book value of the loans by the originator. The minimum reten
	3. Declaration of war or occurrence of insurgency, or	The Scheme may use derivatives instruments like Stock/Index Futures			requirement depends on the tenure and structure of the securitiza
	any other serious or sustained financial, political				transaction. The Scheme will invest in securitized debt that
	or industrial emergency or disturbance, resulting in liquidity crunch.	Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging or portfolio			compliance with the regulations.
	4 During the time the Fund receives bulk repurchase and /	balancing or any other purpose as allowed under the regulations.			Mechanism to tackle conflict of interest when the mutual fu

Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in tur

or bulk investment

A review will be made as and when such variation takes will be brought down to the specified asset allocation levels | SEBI Regulations. as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis.

Risk Mitigation:

Investments made by the schemes would be in accordance care however not to dilute returns in the process. The AMC analysis of the securities proposed to be invested in.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated will be guided by the ratings of accredited agencies such as CRISIL, CARE, ICRA etc. as well as the internal norms for credit exposure.

Procedure followed for investment decisions:

The Fund Manager of the Scheme is responsible for making buy/sell decisions for the Scheme's portfolio and seeks to develop a well diversified portfolio taking into account the asset allocation patterns of various schemes along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.

currently comprising of the CEO, COO, Head of Risk the credit profiles of the issuers. Management, Head of Equities, Head of Fixed Income that meets at periodic intervals. The Investment Committee's Securitised Debt: role is to formulate broad investment strategies for the Securitized debt is a form of conversion of normally non-tradable general market outlook.

The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings as well as additional adhoc meetings as needed, to explore the investment thesis.

It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objective of the Scheme and in the interest of the Unit holders of the Scheme(s).

accordance with the guidelines issued by SEBI.

During the time the Fund receives bulk repurchase and/ balancing or any other purpose as allowed under the regulations, within the permissible limit of the portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

place, and, if the variation is beyond 10%, the reasons As a prudent measure, the AMC has broad internal investment norms thereof will be recorded. The variation from the stated asset | and investments made through the scheme would be in accordance allocation will be constantly monitored and such variation with the investment objectives of the schemes and provisions of

Debt Securities:

Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record with the investment objectives of the schemes and as well as future prospects of the issuer, short as well as long term provisions of SEBI Regulations. Since investing required financial health of the issuer will be carried out. The AMC will be disciplined risk management, the AMC would incorporate guided by the ratings of accredited agencies such as CRISIL, CARE, adequate safeguards for controlling risks in the portfolio ICRA etc. as well as the internal norms for credit exposure. Investments construction process. The risk control process involves made by the schemes would be in accordance with the investment reducing risks through portfolio diversification, taking objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would believes that this diversification would help achieve the incorporate adequate safeguards for controlling risks in the portfolio desired level of consistency in returns. The AMC aims to construction process. The risk control process involves reducing risks identify securities, which offer superior levels of yield at through portfolio diversification, taking care however not to dilute lower levels of risk. With the aim of controlling risks, the returns in the process. The AMC believes that this diversification would investment team of the AMC will carry out rigorous indepth | help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Foreign Securities:

The Fund may invest in overseas debt/equities/ADR's/GDR's with the approval of RBI/SEBI, subject to such guidelines as may be issued by RBI/SEBI. The net assets, distributions and income of the scheme may be affected adversely by fluctuations in the value of certain foreign currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be affected by changes in the regulatory and political environments. The scheme's NAV may also be affected by a fluctuation in the general The AMC has constituted an Investment Committee, and specific level of interest rates internationally, or the change in

Scheme, review the performance of the Scheme and the loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income like characteristics. The risk of investing in securitized debt is similar to investing in debt securities. In addition, securitized debt may also carry prepayment risk and has a relatively higher liquidity risk (the same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified. The investment shall be in securitized instruments that are rated (AA/A1+) or its equivalent, by a recognised credit rating agency The AMC will keep a record of all investment decisions in for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund.

makes investments in that particular scheme of the fund

The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same at regular interval.

Resources and mechanism of individual risk assessment for monitoring investment in securitized debt - credit analyst prepares a credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head of Fixed income and is approved by the Investment committee. The credit analyst shall be responsible for timely analyzing the risk and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the outstanding position, every quarter.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Risk Factors Associated with Investments in REITs and InvITs:

- Market Risk: REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.
- Liquidity Risk: As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.
- Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns
- Regulatory/Legal Risk: REITs and InvITs being new asset classes, rights of unit holders such as right to information etc may differ from existing capital market asset classes under Indian Law.

Procedure followed for investment decisions:

The Fund Manager of the Scheme is responsible for making buy/ sell decisions for the Scheme's portfolio and seeks to develop a well-diversified portfolio taking into account the asset allocation pattern of the scheme along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.

The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings as well as additional ad-hoc meetings as needed, to explore the investment thesis.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No : U65990MH1993PLC071003

continued from p		sting			Dron	osed				Particulars	Existing	Dronosod
rai uculars	EXI	sung			The AMC has constituted an Incomprising of the CEO, COO, He: Equities, Head of Fixed Income The Investment Committee's role strategies for the Scheme, review and the general market outlook. It is the responsibility of the <i>A</i> investments are made as per investment objective of the Scheme holders of the Scheme.	ad of Risk M that meets is to formul v the perform AMC to seek the Regula	Nanagem at peric late broa mance o k to ens itory gu	nent, Head of odic intervals. ad investment if the Scheme sure that the idelines, the		raruculars	the same shall be placed before Investment Committee	Proposed re-balanced within 30 Days, justification for the same shall be place before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide o the course of action. However, at all times the portfolio will adher to the overall investment objectives of the Scheme. Limits to make Overseas Investments: The Schemes are permitted under SEBI Circular No. SEBI/IMD/CI No. 7/104753/07 dated 26th September, 2007 to make oversea investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall limit of US\$ 7.00 billion or succ
					The AMC will keep a record of all in with the guidelines issued by SEB The AMC and Trustee will review to their Board meetings. The perfor the performance of the benchma the industry.	I. the performa rmance wou ark index an	ance of t uld be co nd with p	the scheme in ompared with peer group in				other limit as prescribed by SEBI from time to time. Subject to approval from RBI/SEBI, the Fund may open foreig currency accounts abroad directly or through its Custodian to facilitar investments and to deal in currency contracts, futures, options for th purpose of hedging the risk of assets. The Fund may also appoin intermediaries, sub- custodians or other agencies for managing ar
Portfolio Turnover	 the nature of brokerage, stamp duty, custodian transactic charges etc. The portfolio turnover is essential to regula explore trading opportunities to optimise returns for the Scheme and enable portfolio restructuring when required. The Scheme will manage its portfolio taking into accout the associated risks (such as interest/liquidity/redemptietc.) perceived/expected, so as to minimise the risks using adequate risk management techniques. The portfolio turnover policy will be aimed at maximising the return growth. The AMC believes in active churning of the portfolio with a aim to encash on the opportunities that present themselv from time to time. However the scheme shall aim to achie the turnover target of 100% to 150% of the corpus of the scheme so long as the above target is cost effective an profitable without affecting long-term growth prospects the investment and scheme objective. Pursuant to Schedule IX read with Regulation 50 of the SE (Mutual Funds) Regulations, 1996, the cost of investmert acquired or purchased shall include all such costs incurred for effecting the sale transactions and shall for part of the purchase or the sale value of investments. 			ansaction o regularly ns for the o required. to account demption ne risks by e portfolio e returns/	nature of brokerage, stamp dut etc. The portfolio turnover is esse opportunities to optimise returns for restructuring when required. The Scheme will manage its p associated risks (such as inter perceived/expected, so as to min risk management techniques. Th aimed at maximising the returns, The Scheme is an open-ended sche be a number of subscriptions an	ty, custodian ential to regi or the Schem ortfolio taki rest/liquidit nimise the ris ne portfolio to /growth. eme. It is expen nd redempti	n transan ularly ex ne and er ing into ty/rede sks by us curnover ected that ions on	ction charges kplore trading hable portfolio account the mption etc.) sing adequate policy will be at there would a daily basis.				administering such investments. Exposure to Derivatives: The Scheme shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEI Circular No. DNPD/Cir-29/2005 dated 14th September 2005 and shall be within the limits prescribed by the Board of Trustees. SEI vide its circular no. DNPD/Cir-29/2005 dated September 14, 200 permitted mutual funds to participate in derivatives trading subjet to the observance of guidelines issued by SEBI. Mutual Funds and permitted to participate in the derivatives market at par with Foreign Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in indef futures, index options, stock options and stock futures contracts. The
				pus of the ective and ospects of of the SEBI vestments cs incurred	Pursuant to Schedule IX read with Regulation 50 of the SEBI (Mutual Funds) Regulations, 1996, the cost of investments acquired or purchased shall include all such costs incurred for effecting the transaction while the sale proceeds of investment sold or redeemed shall be net of all such costs incurred for effecting the sale transactions and shall form part of the purchase or the sale value of investments.					Where will the scheme invest?	Subject to the Regulations, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities:	in all or any one of (but not exclusively) the following securities: • Equity and equity related instruments - including preference
Benchmark				shall form	S&P BSE 200 TRI						 Equity and equity related instruments including preference shares, convertible bonds and debentures and warrants carrying the right to obtain equity shares. Foreign Securities in the countries with fully convertible 	 shares, convertible bonds and debentures and warrants carryin the right to obtain equity shares. Debt Instruments - include Govt. of India securities (zero coupor or coupon bearing Bonds), State Govt. Bonds, Bonds issued I local Govt., Govt. Agencies and other statutory bodies (with a statutory bodies) (with a statutory bodies).
4. Canara Robe	co F.O.R.C.E Fund (Financi	al Oppor	tunities,	Retail Co	nsumption & Entertainment Fι	und)					currencies, short term instruments with highest rating (Foreign Currency Credit Rating) by accredited/registered	without Govt. Guarantee), Bonds of Public Sector Undertaking
Particulars	Exi	sting			Proposed						credit rating agencies, such as A-1/AAA by Standard and	Debentures issued by public, private sector undertakings, Financia Institutions with or without ratings, Usance Bills (Bills of Exchange
Scheme Name Type of Scheme	Canara Robeco F.O.R.C.E F Retail Consumption හ Enter An open-ended Equity Scher	tainment)		ortunities	Canara Robeco Consumer Trends Fund An open-ended equity scheme following the consumption and						 Poor, P-1/AAA by Moody's, F1/AAA by Fitch IBCA, etc. Securities created and issued by the Central and State Governments and/or repos/reverse repos/in such 	drawn on a term governed by the usage in trade or between th companies involved) and other Domestic Instruments either liste or unlisted
Investment Objective				urities of nt sectors.	financial theme To provide long-term capital appreciation by primarily investing in equity and equity related securities of companies which directly or indirectly benefit from the growing consumer demand in India.						 Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, and Government Securities having an un-expired maturity up to one year, 	
How will the scheme allocate its assets?	Instruments	(% of tot	allocations al assets) Maximum	Risk Profile	Instruments	Indicative allo (% of total a Minimum	assets)	Risk Profile			 Call or Notice Money, Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time. Certificate of Deposit (CDs); 	provided by the RBI to meet the liquidity requirements and ar other Money market instruments specified by SEBI/RBI from tim to time.
	Equity and equity related instruments of companies in the Finance, Retail & Entertainment Sector# Other Equity and equity	65	100	High	Equity and equity related instruments of companies which directly or indirectly benefit from the growing consumer demand in India		100	High			 Commercial Paper (CPs); ADR/GDR Derivative instruments like Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI 	 Foreign Securities - including ADR/GDR as permitted by the R and SEBI. Securitised Debt - The scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backet securities (MBS). ABS means securitized debts wherein the securitized debt securitized debts wherein the secured debts wherein the secured debts wherein the securetized deb
	related instruments Domestic Debt and Money Market instruments	0	35	Low	Other Equity and equity related instruments Debt and Money Market	0	20	High Low to			• Any other like instrument/s as permitted by SEBI/RBI from time to time	underlying assets are receivables arising from personal loan automobile loans, etc. MBS means securitized debts wherein th underlying assets are receivables arising from loans backed t mortgage of properties which can be residential or commerci
	(Including securitised debt up to 10% of net assets) # The scheme shall invest r	ninimum 4	40% and r	maximum	REITs/InvITs	0	20 10	Medium Medium to				in nature. ABS/MBS instruments reflect the undivided interest the underlying of assets and do not represent the obligation of th issuer of ABS/MBS or the originator of the underlying receivable
	65% in Finance Sector, mini in Entertainment sector and 25% in Retail sector.	mum 15%	and maxir	mum 35%				High t Assets of the				The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer cred losses in the event of the delinquencies and credit losses in the
	Gross Notional Exposure by the Scheme in derivative				Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money							underlying pool exceeding the credit enhancement provided. compared to the normal corporate or sovereign debt. securitize

instruments for the purpose of hedging and portfolio equities, equity related instruments/securities, debt securities, money rebalancing shall not exceed 30% of the total Net Assets market instruments and derivatives will not exceed 100% of the net of Scheme

Investment by the Scheme in ADRs/GDRs shall not exceed 10% of the net assets of the Scheme as on the date of such investments.

The Scheme may invest in Foreign Securities up to 10% of relevant year of the investment. However, investment in 2010 as may be amended from time to time. ADRs/GDRs would be included under the overall investment limits set for foreign securities.

The stock lending done by the Scheme (if any) shall not exceed 25% of the net assets of the Scheme as on the date of such lending. Intention to lend securities shall be in accordance with the guidelines on securities lending and borrowing scheme issued by SEBI from time to time.

securitized debt.

The scheme will invest in range of companies which fall within the objectives of the scheme. Investors may note that the selection of sectors by the Fund Manager will correspond to sectoral classification of stocks by Global Industry Classification Standard, MSCI and S&P/AMFI.

Total of investments in Equity, debt securities (including securitized debt), money market instruments and gross notional exposure in derivatives shall not exceed 100% of the net assets of the scheme.

The above asset allocation pattern given for each scheme is not absolute and can vary depending upon the AMC's Asset Allocation: perception of the equity and money markets as well as the The above asset allocation pattern is not absolute and can vary market conditions, market opportunities, applicable vary depending upon the perception of the Investment in accordance with the provisions of SEBI (Mutual Funds) issued by SEBI from time to time. Regulations, 1996 and the circulars issued by SEBI from time to time.

Portfolio Rebalancing:

The scheme would endeavour to rebalance the portfolio

assets of the Scheme or such other limits as may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the the net assets of the Scheme (subject to an overall limit of SEBI Regulations. Exposure by the scheme in derivative shall be in 10% of the net assets of the Fund) as on 31st March of each accordance with Circular No. Cir/IMD/DF/11/2010 dated August 18,

> Investment by the Scheme in ADRs/GDRs shall not exceed 10% of the net assets of the Scheme as on the date of such investments.

> The Scheme may invest in Foreign Securities up to 10% of the net assets of the Scheme. However, investment in ADRs/GDRs would be included under the overall investment limits set for foreign securities.

The stock lending done by the Scheme (if any) shall not exceed 25% of the net assets of the Scheme as on the date of such lending. Process The scheme shall not make any investments in foreign for lending securities shall be in accordance with the guidelines on securities lending and borrowing issued by SEBI from time to time.

> Exposure by the Scheme in Securitised Debt shall not exceed 20% of the Net Assets of Scheme at the time of investment.

The Scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines.

The Scheme will invest in range of companies which fall within the objectives of the Scheme. Investors may note that the selection of sectors by the Fund Manager will correspond to sectoral classification of stocks by Global Industry Classification Standard, MSCI and S&P/ AMFL.

general view on interest rates. The asset allocation pattern depending upon the AMC's perception of the markets as well as indicated above may thus be altered substantially on the general view on interest rates. The asset allocation pattern defensive considerations. Subject to the SEBI Regulations, indicated above may thus be altered substantially on defensive the asset allocation pattern of the schemes indicated considerations. Subject to the SEBI Regulations, the asset allocation above may change from time to time, keeping in view pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market opportunities, regulations and political and economic factors. It must be applicable regulations and political and economic factors. It must clearly understood that the percentages stated above are be clearly understood that the percentages stated above are only only indicative and not absolute. These proportions can indicative and not absolute. These proportions can vary depending upon the perception of the Investment Manager; the intention being Manager; the intention being at all times to seek to protect at all times to seek to protect the interests of the Unit holders. The the interests of the Unit holders. The portfolio would portfolio would be reviewed periodically to address any deviations be reviewed periodically to address any deviations from | from the aforementioned allocations inter alia due to market the aforementioned allocations inter alia due to market | changes. The AMC may from time to time, for a short term, alter the changes. The AMC may from time to time, for a short term, asset composition on defensive consideration and may also invest alter the asset composition on defensive consideration and the funds available in repos, bank deposits in accordance with the may also invest the funds available in repos, bank deposits | provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars

Portfolio Rebalancing:

The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In within 10 days. In the event of the scheme not being case any deviation from the asset allocation, the fund manager rebalanced within the aforesaid period, justification for will carry out rebalancing within 30 days. Where the portfolio is not compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.

- Pass through Certificate (PTC) (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two-wheeler loans and other assets subject to applicable regulations.
- Derivative instruments like index futures, stock futures, index options, stock option, warrants, convertible securities, Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations.
- **REITs/InvITs** The scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines.
- Any other instruments as may be permitted by SEBI/RBI/such other regulatory authority from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. . The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

Investment in other Schemes:

The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which:

- The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.
- The Scheme shall not make any investment in any fund of fund scheme

Short Term Deposits:

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.

The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme shall abide by the following guidelines for parking of funds in short term deposits:

 "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.

Page 7 continued.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

continued from	Existing	Proposed	Particulars	Existing	Proposed
rainculars	Existing	Proposea Such short-term deposits shall be held in the name of the Scheme.	Particulars	Existing	scheme's NAV may also be affected by a fluctuation in the gene
		 Such short-term deposits shall be held in the name of the scheme. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior 			and specific level of interest rates internationally, or the change the credit profiles of the issuers.
		approval of the Trustees. • Parking of funds in short term deposits of associate and sponsor			Securitized debt is a form of conversion of normally non-tradak loans to transferable securities. This is done by assigning the loans
		scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.			a special purpose vehicle (a trust), which in turn issues Pass-Throw Certificates (PTCs). These PTCs are transferable securities with fix income like characteristics. The risk of investing in securitized deb
		 The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries. The Scheme shall not park funds in short-term deposit of a bank, 			similar to investing in debt securities. In addition, securitized debt also carry prepayment risk and has a relatively higher liquidity risk (same are explained in the sections that follow). However, if the fu
		which has invested in the Scheme. The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.			manager evaluates that the additional risks are suitably compensa by the higher returns, he may invest in securitized debt up to the lin specified. The investment shall be in securitized instruments that rated (AA/A1+) or its equivalent, by a recognised credit rating age
		The Scheme may also invest in the units/securities issued by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities and registered with overseas regulators.			for the retail pool, and for single loan securitization, limits will assigned as per the internal credit policy of the Fund.
		The Fund may also appoint overseas investment advisors and service providers, as permissible under the Regulation.			Policy relating to originators: The originator is the person who has initially given the loan.
What are the nvestment strategies?	Retail Consumption & Entertainment Fund) is an open- end Scheme having a primary objective to generate income/capital appreciation by investing in equities/equity	Canara Robeco Consumer Trends Fund is an open-end Scheme having a primary objective to generate capital appreciation by investing in equities and equity related instruments of companies which directly or indirectly benefit from the growing consumer demand in India. An illustrative list of sectors within which such companies fall includes Consumer Durables, Consumer Non-Durables, Banks & Financial			originator is also usually responsible for servicing the loan (collecting the interest and principal payments). An analysis of originator is especially important in case of retail loans as this affe the credit quality and servicing of the PTC. Originators may be: Bar Non-Banking Finance Companies, Housing Finance Companies, of The fund manager's evaluation will be based on the track record the originator, delinguencies in the pool and the seasoning of
	Opportunities in the financial sector include, but not limited to: • Banks - Public & Private				pool. Other factors that will be considered are loan type, size of loan, average original maturity of the pool, Loan to Value Ra geographical distribution, liquid facility, default rate distribut
	Investment Banks	The investment emphasis of the scheme will be in identifying companies with strong competitive position in good business and			credit enhancement facility and structure of the pool.
	 Distribution Houses Listed asset management companies 	having quality management. The AMC will follow an active investment style supported by in-house research. Essentially, the focus would be			Risk associated with each kind of originator: (a) Prepayment risk: MBS and ABS are subject to prepayment
	Insurance CompaniesBrokerage Houses	on fundamentally strong companies with scope for good growth over time. The AMC, in selecting the scrips will focus on the fundamentals of the business, the industry structure, the quality of management			When the underlying loans are paid off by the borrower pri their respective due dates, this is known as a prepayment. It o be triggered on account of various factors particularly in pe
	 NBFCs Infrastructure finance Opportunities in the entertainment sector include, but 	sensitivity to economic factors, the financial strength of the company and the key earnings drivers.			of declining interest rates. The possibility of such prepayment require the scheme to reinvest the proceeds of such investm in securities offering lower yields, thereby reducing the sche
	not limited to:	Investment Pattern and changes:			interest income. (b) Interest rate risk: MBS carry interest rate risk. Home
	 Broadcasting Electronic and Print Media Content providers 	The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances:			borrowers are provided the facility of refinancing their loans a prevailing interest rates. A lowering of interest rates could in a borrower to pay his loan off earlier than the scheduled ter
	Online service providersMultiplexesLeisure services	 During extreme volatility/ill-liquidity in the capital market/ securities market. In case of natural calamity, strikes, riots, bandhs etc., affecting the 			whereas if the interest rates move upward, the borrower w tend to hold on to his loan for a longer period, thus increasin maturity of the bond. The maturity of the bond could ther
	 Luxury products & services Telecom companies via mobile gaming 	valuation of security.			shorten or lengthen, depending on the prevailing interest i (c) Credit risk/default risk: MBS and ABS also carry credit or de
	The investment emphasis of the scheme will be in identifying companies with strong competitive position in good business and having quality management. The AMC	 Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch. During the time, the Fund receives bulk repurchase and/or bulk 			risk. MBS and structures carry built –in credit enhanceme different forms. However, any delinquencies would rest reduction of the principal amount if the amount available i credit enhancement facility is not enough to cover the sho
	will follow an active investment style supported by in-house research. Essentially, the focus would be on fundamentally	investment.			Historically, housing loans have had lower default rates than forms of credit.
	strong companies with scope for good growth over time. The AMC, in selecting the scrips will focus on the fundamentals of the business, the industry structure, the quality of management sensitivity to economic factors, the financial strength of the company and the key earnings drivers.	if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly			(d) Price risk/liquidity risk: MBS and ABS are subject to prepay risk. Limited volumes of trading in securitized paper in secon market could restrict or affect the ability of the scheme to r them. Thus, these trades may take place at a discount, deper on the prevailing interest rates.
	Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in portfolio construction process. Stock specific risk	on a regular basis.			In case of securitization involving single loans or a small po loans, the credit risk of the underlying borrower is analyzed. In
	will be minimized by investing only in those companies that have been thoroughly analyzed by the AMC. The AMC will also monitor and control maximum exposures to any				of diversified pools of loans, the overall characteristic of the is analyzed to assess the credit risk. Securitization transac may include some risk mitigants (to reduce credit risk). These include interest subvention (difference in interest rates o
	one company. Through adequate diversification of the portfolio, the AMC tries to reduce the risk. Diversification will also be	by investing only in those companies that have been thoroughly analyzed by the AMC.			underlying loans and the PTC serving as margin against defa overcollateralization (issue of PTCs of lesser value than the unde loans, thus even if some loans default, the PTC continues to re
	achieved by spreading the investments over a diverse range of industries/sectors. The Scheme, generally does not intend investing in illiquid and unlisted equity related securities. However, if the case merits, the Scheme may	reduce the risk. Diversification will also be achieved by spreading the investments over a diverse range of industries/sectors. The Scheme, generally does not intend investing in illiquid and unlisted equity			protected), presence of an equity/subordinate tranche (issue o of differing seniority when it comes to repayment - the senior tra get paid before the junior tranche) and/or guarantees.
	invest in such securities adhering to prudential norms on a case to case basis.	related securities. However, if the case merits, the Scheme may invest in such securities adhering to prudential norms on a case to case basis. The investments may be made in primary as well as secondary.			Minimum retention period of the debt by originator pr securitization

Apart from investment restrictions under SEBI (MF) Regulations, the Fund does not presently intend to follow investment environment from time to time.

secondary markets. As far as possible, the portfolio will be adequately diversified to reduce the risk of In addition, the Investment Manager will study the macro economic specific factors

The Scheme being open ended, some portion of the portfolio may be invested in Money Market Instruments so as to meet the normal repurchase requirements. The The Scheme may use derivatives instruments like Stock/Index Futures maturity. However, the NAV of the Scheme may be after investment.

In addition, the Investment Manager will study the macro to assess the likely direction of interest rates and position SEBI Regulations. the portfolio appropriately to take advantage of the same.

The Scheme may use derivatives instruments like Stock/Index Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing, within a permissible limit of portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

Investment Pattern and changes:

The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances:

- 1. During extreme volatility/ill-liquidity in the capital market/securities market.
- 2. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.
- Declaration of war or occurrence of insurgency, or or industrial emergency or disturbance, resulting in liquidity crunch.
- During the time the Fund receives bulk repurchase and/ that these risks would be completely eliminated. or bulk investment.

A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis.

The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified.

any internal norms vis-a-vis limiting exposure to a particular The Scheme being open ended, some portion of the portfolio may scrip or sector etc. However, the Fund may consider be invested in Money Market Instruments so as to meet the normal imposing any restrictions depending on the changes in the repurchase requirements. The remaining investment will be made in securities which are either expected to be reasonably liquid or of varying maturity. However, the NAV of the Scheme may be affected, The investments may be made in primary as well as if the securities invested in are rendered illiquid after investment.

underperformance, arising out of unexpected security- conditions, including the political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.

remaining investment will be made in securities which or Options, Interest Rate Futures, Interest Rate Swaps, Forward are either expected to be reasonably liquid or of varying Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging or portfolio affected, if the securities invested in are rendered illiquid balancing or any other purpose as allowed under the regulations, within the permissible limit of the portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

economic conditions, including the political, economic As a prudent measure, the AMC has broad internal investment norms environment and factors affecting liquidity and interest and investments made through the scheme would be in accordance rates. The Investment Manager would use this analysis with the investment objectives of the schemes and provisions of

Debt Securities:

Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, CARE, ICRA etc. as well as the internal norms for credit exposure. Investments made by the schemes would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team any other serious or sustained financial, political of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance

Foreign Securities:

The Fund may invest in overseas debt/equities/ADR's/GDR's with the approval of RBI/SEBI, subject to such guidelines as may be issued by RBI/SEBI. The net assets, distributions and income of the scheme may be affected adversely by fluctuations in the value of certain foreign currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be affected by changes in the regulatory and political environments. The

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Minimum retention percentage by originator of debts to be securitized

RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund

The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same at regular interval.

Resources and mechanism of individual risk assessment for monitoring investment in securitized debt – credit analyst prepares a credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head of Fixed income and is approved by the Investment committee. The credit analyst shall be responsible for timely analyzing the risk and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the outstanding position, every quarter.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated

Risk Factors Associated with Investments in REITs and InvITs:

- Market Risk: REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.
- Liquidity Risk: As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

continued from p Particulars	Existing			Proposed		Particulars	Existing	Proposed			
			 Reinvestment Risk: Inverse reinvestment risk as the the Trusts in form of buy Consequently, the proceed lower returns. Regulatory/Legal Risk: R rights of unit holders such from existing capital mare Procedure followed for investment followed for the Sell decisions for the Schert well-diversified portfolio ta pattern of the scherme along investments. The investment keeping in view the market of The Fund Manager is respondent. 	estments in REITs & ere could be repatria back of units or divid eds may get invested i EITs and InvITs being i th as right to informat ket asset classes unde estment decisions: Scheme is responsible me's portfolio and se king into account the g with risks that are ass decisions are made of conditions and other r	ation of funds by end pay-outs, etc. n assets providing new asset classes, tion etc may differ er Indian Law. e for making buy/ eeks to develop a e asset allocation sociated with such n an ongoing basis egulatory aspects.		rebalancing within 10 days. In the event of the scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing.	aforementioned allocations inter alia due to market changes The AMC may from time to time, for a short term, alter the asse composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time. Portfolio Rebalancing: The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not re balanced within 30 days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be			
			and a robust investment cu ongoing meetings as well as to explore the investment th The AMC has constituted comprising of the CEO, COC Equities, Head of Fixed Inc The Investment Committee' strategies for the Scheme, is and the general market out It is the responsibility of investments are made as investment objective of the holders of the Scheme. The AMC will keep a record of with the guidelines issued b The AMC and Trustee will re their Board meetings. The the performance of the beat the industry.	Iture. The investment additional ad-hoc me hesis. an Investment Com D, Head of Risk Mana come that meets at p 's role is to formulate review the performan look. the AMC to seek to b per the Regulatory Scheme and in the ir of all investment decisi y SEBI. view the performance performance would be nchmark index and w	team would hold betings as needed, mittee, currently agement, Head of periodic intervals. broad investment icce of the Scheme guidelines, the neterest of the Unit ions in accordance e of the scheme in be compared with vith peer group in		- Maximum % Stock Lending: 25% of the Net Assets Exposure to Derivatives: The Scheme shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEBI Circular No. DNPD/Cir-29/2005 dated 14th September 2005 and shall be within the limits prescribed by the Board of Trustees, as provided above. SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005 permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI. Mutual Funds are permitted to participate in the derivatives market at par with Foreign Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in index futures, index options, stock options and stock futures contracts. The Mutual Fund will be considered as trading members like registered FIIs and the schemes of Mutual Funds will be treated as clients like sub-accounts of FIIs. As a part of the	to the overall investment objectives of the Scheme. Limits to make Overseas Investments: The Schemes are permitted under SEBI Circular No. SEBI/IMD/C No. 7/104753/07 dated 26th September, 2007 to make oversea investments subject to the maximum of US\$ 300.00 million pr mutual fund, subject to an overall limit of US\$ 7.00 billion or suc other limit as prescribed by SEBI from time to time. Subject to approval from RBI/SEBI, the Fund may open foreig currency accounts abroad directly or through its Custodian to facilita investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoil intermediaries, sub- custodians or other agencies for managing ar administering such investments. Exposure to Derivatives: The Scheme shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SE Circular No. DNPD/Cir-29/2005 dated 14th September 2005 ar shall be within the limits prescribed by the Board of Trustees. SE			
Portfolio Turnover			nature of brokerage, stam etc. The portfolio turnover i opportunities to optimise ret restructuring when required The Scheme will manage associated risks (such as perceived/expected, so as to risk management technique aimed at maximising the re The Scheme is an open-ende be a number of subscriptio Consequently, it is difficult to	p duty, custodian tra is essential to regular urns for the Scheme ar l. its portfolio taking interest/liquidity/r o minimise the risks b es. The portfolio turno turns/growth. ed scheme. It is expecte ons and redemptions o estimate with any rea ver in the portfolio. read with Regulation	ansaction charges dy explore trading nd enable portfolio into account the redemption etc.) by using adequate over policy will be ed that there would on a daily basis. asonable measure n 50 of the SEBI		objectives of the Scheme and as per procedure prescribed under the stated circular.	11 vide its circular no. DNPD/Cir-29/2005 dated September 14, 200			
			or purchased shall include transaction while the sale p	all such costs incurred roceeds of investment ncurred for effecting th	d for effecting the sold or redeemed e sale transactions		 Equity and equity related instruments including preference shares, convertible bonds and debentures and warrants carrying the right to obtain equity shares Securities created and issued by the Central and State Governments and/or repos/reverse repos/in such Government Securities as may be permitted by RB (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) Money Market Instruments - include Commercia 	 the right to obtain equity shares. Debt Instruments - include Govt. of India securities (zero coupor or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with o without Govt. Guarantee), Bonds of Public Sector Undertakings Debentures issued by public, private sector undertakings, Financia Institutions with or without ratings, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the 			
Benchmark	Nifty 50 TRI		୫େP BSE 100 TRI				Papers, Commercial Bills, Treasury Bills, and Government Securities having an un-expired maturity up to one year,	companies involved) and other Domestic Instruments either liste or unlisted.			
	co Large Cap+ Fund		1				Call or Notice Money, Certificate of Deposit, Usance Bills	Money Market Instruments - include Commercial Paper Commercial Bills, Treasury Bills, Government Securities having			
Particulars Scheme Name	Existing Canara Robeco Large Cap+ Fund The sign (+) in the name of the fund has b of asset allocation and not in terms of re		Canara Robeco Bluechip Equ	Proposed uity Fund			 and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time. Certificate of Deposit (CDs); Commercial Paper (CPs); 	an un-expired maturity up to one year, Call or Notice Mon Certificate of Deposit, Usance Bills, Collateralized Borrowi Lending Obligation, Repos & Reverse Repos in Governme Securities/Treasury Bills, Bills re-discounting, MIBOR Instrumen			
Type of Scheme	An open-ended Equity Scheme		Large Cap Fund - An open		ne predominantly		ADR/GDR	alternative investment for the call money market as may			
How will the scheme allocate	The Asset Allocation pattern of the Scher circumstances would be as under:		investing in large cap stocks The Asset Allocation pat circumstances would be as u	tern of the Schem under:	e under normal		 Derivative instruments like Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI Any other like instrument/s as permitted by SEBI/RBI 	to time.			
ts assets?	Instruments (% of total a	Indicative allocations (% of total assets) Risk Profile Instruments Indicative allocations (% of total assets) Risk Profile Minimum Maximum Minimum Maximum			from time to time	 Foreign Securities - including ADR/GDR as permitted by the R and SEBI. Securitised Debt - The scheme may invest in domestic securitize debt such as asset backed securities (ABS) or mortgage backet 					
	Large Cap equity and equity related instruments* 65 Domestic Debt and Money Market Instruments (including securitized debt up to 10% of AUM)	100 High 35 Low	Large Cap equity and equity related instruments* Other Equity and equity related instruments Debt and Money Market	80 100 0 20 0 20	High High Low to Medium			securities (MBS). ABS means securitized debts wherein t underlying assets are receivables arising from personal loa automobile loans, etc. MBS means securitized debts wherein underlying assets are receivables arising from loans backed mortgage of properties which can be residential or commer in nature. ABS/MBS instruments reflect the undivided interest			
	*For the purpose of this Fund, Large Ca defined as those which are ranked from basis of market capitalization at the tim The ranking will be reviewed on the capitalisation of companies at the end quarter. Gross Notional Exposure by the Schel	n 1 to 150 on the ne of investment. basis of market of every calendar	Instruments REITs/InvITs *As defined by SEBI Circular dated October 06, 2017 at dated December 04, 2017 (currently it defines Large Ca from 1 to 100 based on their Investment in Derivatives ca	0 10 No. SEBI/HO/IMD/DF nd SEBI/HO/IMD/DF and as amended fr p Companies as those r full market capitaliza	Medium to High 3/CIR/P/2017/114 3/CIR/P/2017/126 rom time to time which are ranked attion)			In nature. ABS/MBS instruments reflect the undivided interest the underlying of assets and do not represent the obligation of issuer of ABS/MBS or the originator of the underlying receivabl The ABS/MBS holders have a limited recourse to the extent credit enhancement provided. Securitized debt may suffer cre losses in the event of the delinquencies and credit losses in underlying pool exceeding the credit enhancement provided. compared to the normal corporate or sovereign debt, securiti debt is normally exposed to a higher level of reinvestment risl			

Gross Notional Exposure by the Scheme in derivative instruments for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the total Net Assets of Scheme.

The stock lending done by the Scheme (if any) shall not date of such lending. Intention to lend securities shall be in accordance with the guidelines on securities lending and borrowing scheme issued by SEBI from time to time.

securitized debt.

notional exposure in derivatives shall not exceed 100% of 2010 as may be amended from time to time. the net assets of the scheme.

is not absolute and can vary depending upon the AMC's | The Scheme may invest in Foreign Securities up to 10% of the net indicated above may thus be altered substantially on defensive considerations. Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be Exposure by the Scheme in Securitised Debt shall not exceed 20% of clearly understood that the percentages stated above are the Net Assets of Scheme at the time of investment. only indicative and not absolute. These proportions can The Scheme may invest in Units issued by REITs and InvITs as per vary depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. The portfolio would

alter the asset composition on defensive consideration and time to time.

Portfolio Rebalancing:

The scheme shall rebalance the portfolio within 30 days. Investment Manager; the intention being at all times to seek to However, the scheme will endeavor to complete the protect the interests of the Unit holders. The portfolio would be

Investment in Derivatives can be upto 40% of the Net Assets of the Scheme

Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money exceed 25% of the net assets of the Scheme as on the areket instruments and derivatives will not exceed 100% of the net assets of the Scheme or such other limits as may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of The scheme shall not make any investments in foreign the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the Total of investments in Equity, debt securities (including SEBI Regulations. Exposure by the scheme in derivative shall be in securitized debt), money market instruments and gross accordance with Circular No. Cir/IMD/DF/11/2010 dated August 18,

Investment by the Scheme in ADRs/GDRs shall not exceed 10% of The above asset allocation pattern given for each scheme | the net assets of the Scheme as on the date of such investments.

perception of the equity and money markets as well as the assets of the Scheme. However, investment in ADRs/GDRs would be general view on interest rates. The asset allocation pattern included under the overall investment limits set for foreign securities.

The stock lending done by the Scheme (if any) shall not exceed 25% of the net assets of the Scheme as on the date of such lending. Process for lending securities shall be in accordance with the guidelines on securities lending and borrowing issued by SEBI from time to time.

SEBI guidelines.

Asset Allocation:

be reviewed periodically to address any deviations from The above asset allocation pattern is not absolute and can vary the aforementioned allocations interalia due to market | depending upon the AMC's perception of the markets as well as the changes. The AMC may from time to time, for a short term, general view on interest rates. The asset allocation pattern indicated above may thus be altered substantially on defensive considerations. may also invest the funds available in repos, bank deposits | Subject to the SEBI Regulations, the asset allocation pattern of the in accordance with the provisions of SEBI (Mutual Funds) | Scheme indicated above may change from time to time, keeping in Regulations, 1996 and the circulars issued by SEBI from view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the

- debt is normally exposed to a higher level of reinvestment risk.
- Pass through Certificate (PTC) (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two-wheeler loans and other assets subject to applicable regulations.
- **Derivative** instruments like index futures, stock futures, index options, stock option, warrants, convertible securities, Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations.
- REITs/InvITs The scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines.
- Any other instruments as may be permitted by SEBI/RBI/such other regulatory authority from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs). secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

Investment in other Schemes:

The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which:

- The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.
- The Scheme shall not make any investment in any fund of fund scheme.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

...continued from previous page Particulars Particulars Existing Proposed Existing Proposed Short Term Deposits: are either expected to be reasonably liquid or of varying Debt Securities: maturity. However, the NAV of the Scheme may be Concentration of risk is mitigated by defining issuer limits. Rigorous Pending deployment of funds of a scheme in terms of investment affected, if the securities invested in are rendered illiquid in-depth credit evaluation of the issuers will be conducted by the objectives of the scheme, the Mutual Fund may invest them in after investment. investment team before making investments. As part of credit short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board. In addition, the Investment Manager will study the macro evaluation, a study on the operating environment, past track record economic conditions, including the political, economic as well as future prospects of the issuer, short as well as long term The investments in these deposits shall be in accordance with financial health of the issuer will be carried out. The AMC will be environment and factors affecting liquidity and interest SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR rates. The Investment Manager would use this analysis guided by the ratings of accredited agencies such as CRISIL, CARE, No. 1/91171/07. SEBI/IMD/CIR No. 8/107311/07. SEBI/IMD/CIR No. ICRA etc. as well as the internal norms for credit exposure. Investments to assess the likely direction of interest rates and position 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October made by the schemes would be in accordance with the investment the portfolio appropriately to take advantage of the same. 2007 and 23 June 2008 respective and any other applicable objectives of the schemes and provisions of SEBI Regulations. Since guidelines as amended or updated from time to time. The Scheme The Scheme may use derivatives instruments like investing required disciplined risk management, the AMC would shall abide by the following guidelines for parking of funds in short Stock/Index Futures, Interest Rate Swaps, Forward Rate incorporate adequate safeguards for controlling risks in the portfolio term deposits: Agreements or such other derivative instruments as may be construction process. The risk control process involves reducing risks introduced from time to time for the purpose of hedging and • "Short Term" for parking of funds shall be treated as a period not through portfolio diversification, taking care however not to dilute portfolio balancing, within a permissible limit of portfolio, exceeding 91 days returns in the process. The AMC believes that this diversification would which may be increased as permitted under the Regulations Such short-term deposits shall be held in the name of the Scheme help achieve the desired level of consistency in returns. The AMC aims and guidelines from time to time. to identify securities, which offer superior levels of yield at lower • The Scheme shall not park more than 15% of the net assets in levels of risks. With the aim of controlling risks, the investment team short term deposit(s) of all the scheduled commercial banks put of the AMC will carry out rigorous in-depth analysis of the securities together. However, such limit may be raised to 20% with prior proposed to be invested in. While these measures are expected to approval of the Trustees. mitigate the above risks to a large extent, there can be no assurance • Parking of funds in short term deposits of associate and sponsor that these risks would be completely eliminated. scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits. Foreign Securities: The Fund may invest in overseas debt/equities/ADR's/GDR's with the • The Scheme shall not park more than 10% of the net assets in approval of RBI/SEBI, subject to such guidelines as may be issued by short term deposit(s), with any one scheduled commercial bank RBI/SEBI. The net assets, distributions and income of the scheme may including its subsidiaries. be affected adversely by fluctuations in the value of certain foreign • The Scheme shall not park funds in short-term deposit of a bank. currencies relative to the Indian Rupee to the extent of investments which has invested in the Scheme. The aforesaid limits shall not in these securities. Repatriation of such investment may also be be applicable to term deposits placed as margins for trading in affected by changes in the regulatory and political environments. The cash and derivatives market. scheme's NAV may also be affected by a fluctuation in the general The Scheme may also invest in the units/securities issued by overseas and specific level of interest rates internationally, or the change in Mutual Funds or Unit Trusts which invest in the aforesaid securities the credit profiles of the issuers. and registered with overseas regulators. Securitised Debt: The Fund may also appoint overseas investment advisors and service Securitized debt is a form of conversion of normally non-tradable providers, as permissible under the Regulation. loans to transferable securities. This is done by assigning the loans to What are the Canara Robeco Large Cap+ Fund is named to reflect the The Fund provides investors with a portfolio which invests in stocks a special purpose vehicle (a trust), which in turn issues Pass-Throughinvestment strategy, which is mainly focused on a portfolio with large market capitalisation. Large Cap Stocks are an ideal investment Certificates (PTCs). These PTCs are transferable securities with fixed strategies? that would be concentrated on investing in any of the top investment choice on account of the following relative advantages income like characteristics. The risk of investing in securitized debt is 150 stocks ranked on the basis of the market capitalization. Market leaders - Large cap companies act as catalyst for the similar to investing in debt securities. In addition, securitized debt may Canara Robeco Large Cap+ Fund provides investors with country's economic growth and gain the most from an economic also carry prepayment risk and has a relatively higher liquidity risk (the a portfolio which invests in stocks with large market upturn and hence are a good proxy for the country's growth. same are explained in the sections that follow). However, if the fund capitalisation. Large Cap Stocks are an ideal investment manager evaluates that the additional risks are suitably compensated Economies of scale - Large cap companies benefit from cost choice on account of the following relative advantages: by the higher returns, he may invest in securitized debt up to the limits efficiency with lower per unit overhead costs due to their large-• Market leaders - Large cap companies act as catalyst for specified. The investment shall be in securitized instruments that are scale operations and are thus able to offer competitive pricing the country's economic growth and gain the most from rated (AA/A1+) or its equivalent, by a recognised credit rating agency leading to both higher top line and bottom line growth. an economic upturn and hence are a good proxy for the for the retail pool, and for single loan securitization, limits will be Access to raise resources - Companies with large capitalisation have country's growth assigned as per the internal credit policy of the Fund. strong Balance Sheets along with the ability to raise/borrow large **Economies of scale** - Large cap companies benefit from capital. They also have easy access to international markets for Policy relating to originators: cost efficiency with lower per unit overhead costs due raising capital. Another advantage is that their cost of borrowing The originator is the person who has initially given the loan. The to their large scale operations and are thus able to offer is lesser for both domestic and overseas borrowings originator is also usually responsible for servicing the loan (i.e. competitive pricing leading to both higher top line and collecting the interest and principal payments). An analysis of the Diversification - A diversified portfolio of a Large Cap fund can be bottom line growth. originator is especially important in case of retail loans as this affects achieved by investing in large caps across Value Chain, Products Access to raise resources - Companies with large the credit quality and servicing of the PTC. Originators may be: Banks, (Brands), Market Segments and Geographic Locations, which helps capitalisation have strong Balance Sheets along with Non-Banking Finance Companies, Housing Finance Companies, etc. in neutralising the impact of a downturn in any segment. the ability to raise/borrow large capital. They also have The fund manager's evaluation will be based on the track record of Risk Taking Ability - Large Cap companies have resources to easy access to international markets for raising capital. the originator, delinquencies in the pool and the seasoning of the tap virgin markets, introduce niche products and technologies. Another advantage is that their cost of borrowing is lesser pool. Other factors that will be considered are loan type, size of the They can command premium on niche as well as new product for both domestic and overseas borrowings. loan, average original maturity of the pool, Loan to Value Ratio, introductions and also could be market leaders. On the operational Diversification - A diversified portfolio of a Large Cap geographical distribution, liquid facility, default rate distribution, side, they have access to sophisticated information systems and fund can be achieved by investing in large caps across credit enhancement facility and structure of the pool. use superior risk management systems. Thus, with their deeper Value Chain, Products (Brands), Market Segments and pockets, their risk taking ability is higher. Risk associated with each kind of originator: Geographic Locations, which helps in neutralising the Preference given by Institutional Investors - Large Cap companies (a) Prepayment risk: MBS and ABS are subject to prepayment risk. impact of a downturn in any segment. are the preferred stocks for long-term investments for large When the underlying loans are paid off by the borrower prior to **Risk Taking Ability** - Large Cap companies have resources institutional investors like Insurance Companies, Provident Funds their respective due dates, this is known as a prepayment. It could to tap virgin markets, introduce niche products and (both domestic and foreign) etc. Also Global Venture Funds and be triggered on account of various factors particularly in periods technologies. They can command premium on niche Foreign Institutional Investors look for a certain minimum market of declining interest rates. The possibility of such prepayment may as well as new product introductions and also could cap for considering investments, which is normally satisfied only by require the scheme to reinvest the proceeds of such investments be market leaders. On the operational side, they have Large Caps. Large Caps are also benefited by global cross border in securities offering lower yields, thereby reducing the scheme's access to sophisticated information systems and use operations, which in turn improve the visibility of their stock. interest income. superior risk management systems. Thus with their (b) Interest rate risk: MBS carry interest rate risk. Home loan deeper pockets, their risk taking ability is higher. Investment Pattern and changes: Preference given by Institutional Investors - Large The above investment pattern is indicative and may be changed by the borrowers are provided the facility of refinancing their loans at the

Companies, Provident Funds (both domestic and foreign) | circumstances: etc. Also Global Venture Funds and Foreign Institutional Investors look for a certain minimum market cap for considering investments, which is normally satisfied only by Large Caps. Large Caps are also benefited by global cross border operations, which in turn improve the visibility of their stock.

Canara Robeco Large Cap+ Fund will have a distinctive feature in its investment process. This fund will use the inputs of the Robeco Emerging Markets Quantitative model ('REM Quant model') in its investment process as an Idea Generator. A Quantitative Strategy team will use a carve-out A review will be made as and when such variation takes place, and, The beta of the portfolio would be maintained at levels on a regular basis. higher than 0.75. A carve-out of the Robeco Emerging Markets Quant Model for Indian universe has been back Risk Mitigation: tested since 1995 and a portfolio based on investing in the Since investing requires disciplined risk management, the AMC December 2008 and 150 stocks from December 2008 analyzed by the AMC. onwards). As the model is to be used as an Idea Generator in the investment process for Canara Robeco Large Cap+ Fund

while constructing the final portfolio. risks in portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been thoroughly analyzed by the AMC. The AMC will also monitor and control maximum exposures to any one portfolio, the AMC tries to reduce the risk. Diversification will | if the securities invested in are rendered illiquid after investment.

term ratings not less than CRISIL P1 or its equivalent. It will position the portfolio appropriately to take advantage of the same. specific factors.

The Scheme being open ended, some portion of the As a prudent measure, the AMC has broad internal investment norms portfolio may be invested in Money Market Instruments and investments made through the scheme would be in accordance so as to meet the normal repurchase requirements. The \mid with the investment objectives of the schemes and provisions of remaining investment will be made in securities which SEBI Regulations.

Cap companies are the preferred stocks for long-term Investment Manager for defensive considerations and in accordance investments for large institutional investors like Insurance with change in Regulations from time to time, under the following

> During extreme volatility/ill-liquidity in the capital market/ securities market

- In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.
- Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch.
- During the time, the Fund receives bulk repurchase and/or bulk investment.

of the REM Quant Model to provide Canara Robeco with if the variation is beyond 10%, the reasons thereof will be recorded. monthly rankings based on a defined investment universe of The variation from the stated asset allocation will be constantly large cap names. The model to be used is consistent with the monitored and such variation will be brought down to the specified REM Quant Model as used in Robeco Groep, Rotterdam. The asset allocation levels as soon as normalcy is restored. A report of ultimate decision will be made by the portfolio manager. such variations will be made to the Board of the AMC and the Trustees

top 20 percentile of stocks and not investing in bottom would incorporate adequate safeguards for controlling risks in 20 percentile of stocks have outperformed the portfolio | portfolio construction process. Stock specific risk will be minimized which invests in the total universe of stocks (60 stocks until | by investing only in those companies that have been thoroughly

Through adequate diversification of the portfolio, the AMC tries to reduce the risk. Diversification will also be achieved by spreading the these inputs may be valuable for the portfolio manager investments over a diverse range of industries/sectors. The Scheme, generally does not intend investing in illiquid and unlisted equity Since investing requires disciplined risk management, the related securities. However, if the case merits, the Scheme may invest AMC would incorporate adequate safeguards for controlling in such securities adhering to prudential norms on a case to case basis.

> The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified.

The Scheme being open ended, some portion of the portfolio may company/scrip to 5% over its benchmark weight, subject be invested in Money Market Instruments so as to meet the normal to an absolute per scrip limit of 10% of the AUM. This could repurchase requirements. The remaining investment will be made be raised to 7% on a case by case basis by the investment in securities which are either expected to be reasonably liquid or of committee. Through adequate diversification of the varying maturity. However, the NAV of the Scheme may be affected,

also be achieved by spreading the investments over a diverse In addition, the Investment Manager will study the macro economic range of industries/sectors. The sector concentration would conditions, including the political, economic environment and factors be limited to 7.5% active bet over benchmark sector weight. | affecting liquidity and interest rates. The Investment Manager would The AMC will invest in sovereign/debt securities with short use this analysis to assess the likely direction of interest rates and

also invest in long term securities (long term ratings not | The Scheme may use derivatives instruments like Stock/Index Futures less than CRISIL AA or its equivalent) with an unexpired or Options, Interest Rate Futures, Interest Rate Swaps, Forward maturity of less than 1 year. The investments may be made | Rate Agreements or such other derivative instruments as may be in primary as well as secondary markets. As far as possible, | introduced from time to time for the purpose of hedging or portfolio the portfolio will be adequately diversified to reduce the risk balancing or any other purpose as allowed under the regulations, of underperformance, arising out of unexpected security- within the permissible limit of the portfolio, which may be increased as permitted under the Regulations and guidelines from time to time

a borrower to pay his loan off earlier than the scheduled tenure whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates.

prevailing interest rates. A lowering of interest rates could induce

- (c) Credit risk/default risk: MBS and ABS also carry credit or default risk. MBS and structures carry built -in credit enhancement in different forms. However, any delinquencies would result in reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall. Historically, housing loans have had lower default rates than other forms of credit.
- (d) Price risk/liquidity risk: MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell them. Thus, these trades may take place at a discount, depending on the prevailing interest rates.

In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to assess the credit risk. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults). overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity/subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and/or guarantees.

Minimum retention period of the debt by originator prior to securitization

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Minimum retention percentage by originator of debts to be securitized

RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund

The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However,

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

Particulars	Existing	Proposed	Particulars	Existing	Proposed
articular5		the originator is also usually responsible for servicing the loan (i.e.	- united and		The stock lending done by the Scheme (if any) shall not exceed 25% of
		collecting the interest and principal payments). As the originators			the net assets of the Scheme as on the date of such lending. Proce
		may also invest in the scheme, the fund manager shall ensure			for lending securities shall be in accordance with the guidelines
		that the investment decision is based on parameters as set by the		the net assets of the scheme.	securities lending and borrowing issued by SEBI from time to time
		Investment Committee (IC) of the AMC and IC shall review the same		The above asset allocation pattern given for each scheme	Exposure by the Scheme in Securitised Debt shall not exceed 20%
		at regular interval.		is not absolute and can vary depending upon the AMC's	
		Resources and mechanism of individual risk assessment for		perception of the equity and money markets as well as the	I me scheme may myest in onits issued by Kens and myris as p
		monitoring investment in securitized debt – credit analyst prepares a		general view on interest rates. The asset allocation pattern indicated above may thus be altered substantially on	SEBI guidelines.
		credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head		defensive considerations. Subject to the SEBI Regulations,	Asset Allocation:
		of Fixed income and is approved by the Investment committee.		the asset allocation pattern of the schemes indicated	
		The credit analyst shall be responsible for timely analyzing the risk			depending upon the AMC's perception of the markets as well
		and monitoring the performance of such investments made on an		market conditions, market opportunities, applicable	the general view on interest rates. The asset allocation patter
		ongoing basis and shall report to the investment committee the		regulations and political and economic factors. It must be	indicated above may thus be altered substantially on defens
		outstanding position, every quarter.		clearly understood that the percentages stated above are only indicative and not absolute. These proportions can	
		While these measures are expected to mitigate the above risks to			time, keeping in view market conditions, market opportuniti
		a large extent, there can be no assurance that these risks would be completely eliminated.		Manager; the intention being at all times to seek to protect	
					be clearly understood that the percentages stated above are o
		Risk Factors Associated with Investments in REITs and InvITs:		be reviewed periodically to address any deviations from	
		Market Risk: REITs and InvITs Investments are volatile and subject		the aforementioned allocations interalia due to market	
		to price fluctuations on a daily basis owing to factors impacting		changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and	
		the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance		may also invest the funds available in repos, bank deposits	
		with the anticipated trends.		in accordance with the provisions of SEBI (Mutual Funds)	changes. The AMC may from time to time, for a short term, alter
		• Liquidity Risk: As the liquidity of the investments made by the		Regulations, 1996 and the circulars issued by SEBI from	asset composition on defensive consideration and may also in
		Scheme(s) could, at times, be restricted by trading volumes,		time to time.	the funds available in repos, bank deposits in accordance with
		settlement periods, dissolution of the trust, potential delisting		Portfolio Rebalancing:	provisions of SEBI (Mutual Funds) Regulations, 1996 and the circu
		of units on the exchange etc, the time taken by the Mutual Fund		The scheme would endeavour to rebalance the portfolio	issued by SEBI from time to time.
		for liquidating the investments in the scheme may be high in the		within 10 days. In the event of the scheme not being	
		event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.		rebalanced within the aforesaid period, justification for	
				the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing.	pattern in the interest of the investors depending on the ma
		• Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by		Investment Committee shall then decide on the course	conditions for a short term period of defensive consideration
		the Trusts in form of buyback of units or dividend pay-outs, etc.		of action. However, at all times the AMC shall endeavour	case any deviation from the asset allocation, the fund manager
		Consequently, the proceeds may get invested in assets providing		to ensure that the portfolio would adhere to the overall	carry out rebalancing within 30 days. Where the portfolio is not
		lower returns.		investment objective of the schemes.	balanced within 30 days, justification for the same shall be place before the Investment Committee and reasons for the same shall
		• Regulatory/Legal Risk: REITs and InvITs being new asset classes,		Limits to make Overseas Investments:	recorded in writing. The Investment Committee shall then decide
		rights of unit holders such as right to information etc may differ		The Schemes are permitted under SEBI Circular No. SEBI/	the course of action. However, at all times the portfolio will adhe
		from existing capital market asset classes under Indian Law.		IMD/CIR No. 7/104753/07 dated 26th September, 2007	to the overall investment objectives of the Scheme.
		Procedure followed for investment decisions:		to make overseas investments subject to the maximum of	Limits to make Overseas Investments:
		The Fund Manager of the Scheme is responsible for making buy/		US\$ 300.00 million per mutual fund, subject to an overall	The Schemes are permitted under SEBI Circular No. SEBI/IMD/0
		sell decisions for the Scheme's portfolio and seeks to develop a		limit of US\$ 7.00 billion or such other limit as prescribed by	No. 7/104753/07 dated 26th September, 2007 to make overse
		well-diversified portfolio taking into account the asset allocation		SEBI from time to time.	investments subject to the maximum of US\$ 300.00 million
		pattern of the scheme along with risks that are associated with such		Subject to approval from RBI/SEBI, the Fund may open	mutual fund, subject to an overall limit of US\$ 7.00 billion or su
		investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.		foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency	other limit as prescribed by SEBI from time to time.
				contracts, futures, options for the purpose of hedging the	Subject to approval from RBI/SEBI, the Fund may open forei
		The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold		risk of assets. The Fund may also appoint intermediaries,	currency accounts abroad directly or through its Custodian to facilit
		ongoing meetings as well as additional ad-hoc meetings as needed,		sub- custodians or other agencies for managing and	investments and to deal in currency contracts, futures, options for
		to explore the investment thesis.		administering such investments.	purpose of hedging the risk of assets. The Fund may also appointermediaries, sub-custodians or other agencies for managing a
		The AMC has constituted an Investment Committee, currently		Exposure to Derivatives:	administering such investments.
		comprising of the CEO, COO, Head of Risk Management, Head of		The Scheme shall follow exposure limits on Derivatives as	
		Equities, Head of Fixed Income that meets at periodic intervals.		per the exposure limits permitted under the Regulations	Exposure to Derivatives:
		The Investment Committee's role is to formulate broad investment		as per SEBI Circular No. DNPD/Cir-29/2005 dated 14th	The Scheme shall follow exposure limits on Derivatives as
		strategies for the Scheme, review the performance of the Scheme and the general market outlook.		September 2005 and shall be within the limits prescribed	the exposure limits permitted under the Regulations as per S
		-		by the Board of Trustees, as provided above. SEBI vide its	Circular No. DNPD/Cir-29/2005 dated 14th September 2005 a shall be within the limits prescribed by the Board of Trustees. S
		It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the		circular no. DNPD/Cir-29/2005 dated September 14, 2005	
		investment objective of the Scheme and in the interest of the Unit		permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI.	permitted mutual funds to participate in derivatives trading sub
		holders of the Scheme.		Mutual Funds are permitted to participate in the derivatives	
		The AMC will keep a record of all investment decisions in accordance		market at par with Foreign Institutional Investors (FII).	permitted to participate in the derivatives market at par with Fore
		with the guidelines issued by SEBI.		Accordingly, the mutual funds shall be treated at par with	Institutional Investors (FII). Accordingly, the mutual funds shall
		The AMC and Trustee will review the performance of the Scheme in		a registered FII in respect of position limit in index futures,	treated at par with a registered FII in respect of position limit in in futures, index options, stock options and stock futures contracts.
		their Board meetings. The performance would be compared with		index options, stock options and stock futures contracts.	
		the performance of the benchmark index and with peer group in		The Mutual Fund will be considered as trading members like registered FIIs and the schemes of Mutual Funds will be	
		the industry.		treated as clients like sub-accounts of FIIs. As a part of the	sub-accounts of FIIs. As a part of the fund management proc
ortfolio		Purchase and Sale of securities attract transaction costs of the		fund management process, the AMC may use appropriate	the AMC may use appropriate derivative instruments in accorda
rnover		nature of brokerage, stamp duty, custodian transaction charges		derivative instruments in accordance with the investment	with the investment objectives of the Scheme and as per proced
		etc. The portfolio turnover is essential to regularly explore trading opportunities to optimise returns for the Scheme and enable portfolio		objectives of the Scheme and as per procedure prescribed	prescribed under the stated circular.
	Scheme and enable portfolio restructuring when required.			under the stated circular.	
		The Scheme will manage its portfolio taking into account the	Where will the		Subject to the Regulations, the corpus of the Scheme may be inves
		associated risks (such as interest/liquidity/redemption etc.)	scheme invest?	be invested in all or any one of (but not exclusively) the following securities:	in all or any one of (but not exclusively) the following securities:
		perceived/expected, so as to minimise the risks by using adequate		1) Equity and equity related instruments including	 Equity and equity related instruments - including preferent shares, convertible bonds and debentures and warrants carry
				The county and equility related instruments including	Sugges convening nones and dependings and warrants carry

using adequate risk management techniques. The portfolio turnover policy will be aimed at maximising the returns/	risk management techniques. The portfolio turnover policy will be aimed at maximising the returns/growth.	
growth. The AMC believes in active churning of the portfolio with an aim to encash on the opportunities that present themselves from time to time. However the scheme shall aim to achieve the turnover target of 100% to 150% of the corpus of the Scheme so long as the above target is cost effective and profitable without affecting long-term growth prospects of	The Scheme is an open-ended scheme. It is expected that there would be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Pursuant to Schedule IX read with Regulation 50 of the SEBI (Mutual Funds) Regulations, 1996, the cost of investments acquired or purchased shall include all such costs incurred for effecting the	
the investment and scheme objective Pursuant to Schedule IX read with Regulation 50 of the SEBI (Mutual Funds) Regulations, 1996, the cost of investments acquired or purchased shall include all such costs incurred	transaction while the sale proceeds of investment sold or redeemed shall be net of all such costs incurred for effecting the sale transactions and shall form part of the purchase or the sale value of investments.	
for effecting the transaction while the sale proceeds of investment sold or redeemed shall be net of all such costs incurred for effecting the sale transactions and shall form part of the purchase or the sale value of investments.		

6. Canara Robeco Infrastructure

Particulars		Existing			Proposed						
Type of Scheme	An open-ended Equity Sc	heme			An open-ended equity scheme following infrastructure theme.						
How will the scheme allocate	The Asset Allocation patt circumstances would be a		Scheme	under normal	The Asset Allocation pattern of the Scheme under norma circumstances would be as under:						
its assets?			allocations al assets)	Risk Profile	Instruments		allocations al assets)	Risk Profile			
-	Instruments	Minimum Maxin	Maximum	High/Medium/		Minimum	Maximum				
	Equity and equity related instruments of companies in the		100	Low High	Equity and equity related instruments of companies in the Infrastructure sector including derivatives of such companies	80	100	High			
	Infrastructure sector including derivatives of such companies		100	нідп	Debt and Money Market instruments	0	20	Low to Medium			
	Domestic Debt and Money Market		25	Low	REITs/InvITs	0	10	Medium to High			
	instruments	0	25	LUW	Investment in Derivatives can be upto 40% of the Net Assets of						

Gross Notional Exposure by the Scheme in derivative Scheme. instruments for the purpose of hedging and portfolio Gross investments in securities under the Scheme which includes date of such investments.

The Scheme may invest in Foreign Securities up to 10% of the net assets of the Scheme (subject to an overall limit of 10% of the net assets of the Fund) as on 31st March of each relevant year of the investment. However, investment in ADRs/GDRs would be included under the overall investment limits set for foreign securities.

The stock lending done by the Scheme shall not exceed 15% of the net assets of the Scheme as on the date of such lending and that the maximum limit per intermediary shall not exceed 5% of the net assets of the Scheme. Intention to | The Scheme may invest in Foreign Securities up to 10% of the net from time to time.

rebalancing shall not exceed 30% of the Net Assets of equities, equity related instruments/securities, debt securities, money Scheme. Investment by the Scheme in ADRs/GDRs shall market instruments and derivatives will not exceed 100% of the net not exceed 10% of the net assets of the Scheme as on the assets of the Scheme or such other limits as may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 as may be amended from time to time.

> Investment by the Scheme in ADRs/GDRs shall not exceed 10% of the net assets of the Scheme as on the date of such investments.

lend securities shall be in accordance with the guidelines assets of the Scheme. However, investment in ADRs/GDRs would be on securities lending and borrowing scheme issued by SEBI included under the overall investment limits set for foreign securities.

- 1) Equity and equity related instruments including preference shares, convertible bonds and debentures and warrants carrying the right to obtain equity shares.
- 2) Foreign Securities in the countries with fully convertible currencies, short term instruments with highest rating (Foreign Currency Credit Rating) by accredited/ registered credit rating agencies, such as A-1/AAA by Standard and Poor, P-1/AAA by Moody's, F1/AAA by Fitch IBCA, etc.
- 3) Securities created and issued by the Central and State Governments and/or repos/reverse repos/in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- 4) Monev Market Instruments include Commercial Papers, Commercial Bills, Treasury Bills, and Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time.
- 5) Certificate of Deposit (CDs):
- 6) Commercial Paper (CPs);
- 7) ADR/GDR
- 8) Derivative instruments like Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI
- 9) Any other like instrument/s as permitted by SEBI/RBI from time to time

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

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.

The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/ IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:

1) "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.

shares, convertible bonds and debentures and warrants carrying the right to obtain equity shares.

- Debt Instruments include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted.
- Money Market Instruments include Commercial Papers Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Collateralized Borrowing Lending Obligation, Repos & Reverse Repos in Government Securities/Treasury Bills, Bills re-discounting, MIBOR Instruments, alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by SEBI/RBI from time to time.
- Foreign Securities including ADR/GDR as permitted by the RBI and SEBI.
- Securitised Debt The scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be residential or commercial in nature. ABS/MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
- Pass through Certificate (PTC) (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two-wheeler loans and other assets subject to applicable regulations.
- Derivative instruments like index futures, stock futures, index options, stock option, warrants, convertible securities, Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations.
- **REITs/InvITs** The scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines.
- Any other instruments as may be permitted by SEBI/RBI/such other regulatory authority from time to time.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No : U65990MH1993PLC071003

Particulars	Existing	Proposed	Particulars	Existing	Proposed
	the Scheme.3) The Scheme(s) shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled	The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOS), secondary market operations, private placement or rights offers. All		ANIC, In selecting the scrips will focus on the fundamentals	The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordan- with change in Regulations from time to time, under the followir
	commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.4) Parking of funds in short term deposits of associate and	investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.		of the business, the industry structure, the quality of management sensitivity to economic factors, the financial strength of the company and the key earnings drivers.	 During extreme volatility/ill-liquidity in the capital market securities market.
	assets in short term deposit(s), with any one scheduled	Investment in other Schemes: The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according		Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been thoroughly analyzed by the AMC. The AMC will also monitor and control maximum exposures to any	 In case of natural calamity, strikes, riots, bandns etc., affecting to valuation of security. Declaration of war or occurrence of insurgency, or any oth serious or sustained financial, political or industrial emergen
	commercial bank including its subsidiaries.6) The Scheme(s) shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The	 to which: The Scheme may invest in another scheme under the same asset management company or in any other mutual fund 		one company. Through adequate diversification of the portfolio, the AMC tries to reduce the risk. Diversification will also be	
	aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market. The Scheme may also invest in the units/securities issued by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities or are rated as mentioned above and	 without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund. The Scheme shall not make any investment in any fund of fund scheme. 		achieved by spreading the investments over a diverse range of industries/sectors. The Scheme, generally does	if the variation is beyond 10%, the reasons thereof will be recorded The variation from the stated asset allocation will be constant monitored and such variation will be brought down to the specific asset allocation levels as soon as normalcy is restored. A report
	the registered with overseas regulators. The Fund may also appoint overseas investment advisors and service providers, as and when permissible under the Regulation.	Short Term Deposits: 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. The investments in these deposits shall be in accordance with		Apart from investment restrictions under SEBI (MF) Regulations, the Fund does not presently intend to follow any internal norms vis-a-vis limiting exposure to a particular scrip or sector etc. However, the Fund may consider imposing any restrictions depending on the changes in the investment environment from time to time.	Since investing requires disciplined risk management, the AN would incorporate adequate safeguards for controlling risks portfolio construction process. Stock specific risk will be minimiz by investing only in those companies that have been thorough analyzed by the AMC.
		SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme shall abide by the following guidelines for parking of funds in short		The investments may be made in primary as well as secondary markets. As far as possible, the portfolio will be adequately diversified to reduce the risk of underperformance, arising out of unexpected security- specific factors. The Scheme may invest in overseas equity markets like ADRs/GDRs (subject to relevant RBI/SEBI quidelines/approvals).	reduce the risk. Diversification will also be achieved by spreading t investments over a diverse range of industries/sectors. The Schen generally does not intend investing in illiquid and unlisted equ related securities. However, if the case merits, the Scheme may inv in such securities adhering to prudential norms on a case to case ba
		 term deposits: "Short Term" for parking of funds shall be treated as a period not exceeding 91 days. 		The Scheme being open ended, some portion of the portfolio may be invested in Money Market Instruments so as to meet the normal repurchase requirements. The	The Scheme being open ended, some portion of the portfolio n
		 Such short-term deposits shall be held in the name of the Scheme. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees. 		remaining investment will be made in securities which are either expected to be 23 reasonably liquid or of varying maturity. However, the NAV of the Scheme may be affected, if the securities invested in are rendered illiquid after investment.	if the securities invested in are rendered illiquid after investment
		 Parking of funds 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. 		In addition, the Investment Manager will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest	affecting liquidity and interest rates. The Investment Manager we
		5) The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.		rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.	The Scheme may use derivatives instruments like Stock/Index Futures
		6) The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.		The Scheme may use derivatives instruments like Stock/Index Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing, within a permissible limit of portfolio,	introduced from time to time for the purpose of hedging or portf balancing or any other purpose as allowed under the regulation within the permissible limit of the portfolio, which may be increased
		The Scheme may also invest in the units/securities issued by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities and registered with overseas regulators.		 which may be increased as permitted under the Regulations and guidelines from time to time. Investment Pattern and changes: The above investment 	as permitted under the Regulations and guidelines from time to ti As a prudent measure, the AMC has broad internal investment no and investments made through the scheme would be in accorda
/hat are the	Canara Pohero Infrastructura is an open and Scheme baying	The Fund may also appoint overseas investment advisors and service providers, as permissible under the Regulation. Canara Robeco Infrastructure is an open-end Scheme having a		pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the	with the investment objectives of the schemes and provision SEBI Regulations. Debt Securities:
nvestment trategies?	a primary objective to generate income/capital appreciation by investing in equities/equity related instruments of companies in the infrastructure sector.	primary objective to generate income/capital appreciation by		following circumstances:1) During extreme volatility/ill-liquidity in the capital market/securities market.	Concentration of risk is mitigated by defining issuer limits. Rigor in-depth credit evaluation of the issuers will be conducted by investment team before making investments. As part of cre
		The Association of Mutual Funds in India (AMFI) has laid down classification of industries. From this, the AMC has classified the following industries under the infrastructure sector:		2) In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.3) Declaration of war or occurrence of insurgency, or	evaluation, a study on the operating environment, past track red as well as future prospects of the issuer, short as well as long to financial health of the issuer will be carried out. The AMC will guided by the ratings of accredited agencies such as CRISIL, CA
	sector: a. Engineering b. Construction and construction related industries	 a. Engineering b. Construction and construction related industries c. Telecom – Services and Equipments 		any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch.	ICRA etc. as well as the internal norms for credit exposure. Investme
	 c. Telecom – Services and Equipments d. Ports, Dredging e. Transportation 	d. Ports, Dredging e. Transportation f. Housing		4) During the time the Fund receives bulk repurchase and/ or bulk investment.A review will be made as and when such variation takes	investing required disciplined risk management, the AMC wo incorporate adequate safeguards for controlling risks in the portfor construction process. The risk control process involves reducing r
	f. Housing g. Banking and financial services related to infrastructure h. Healthcare services	g. Banking and financial services related to infrastructure		place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation	

- Healthcare services
- Energy
- Power and Power Equipments
- k. Coal
- Mining and Minerals
- m. Ferrous and Non-Ferrous Metals
- n. Steel and steel utilities
- o. Oil and Gas
- p. Petroleum Products
- q. Paints
- Computers Hardware and Software related to s. r.
- infrastructure
- Industrial Equipments and products s.
- t. Electronics and Electronic equipments
- u. Ship Building
- v. Casting/Forging
- w. Auto and Auto Ancillaries
- x. Industrial Capital Goods and Products
- y. Cement and Cement Products

The above list of industries is indicative and the AMC may infrastructure industries. add such other industries/sectors which broadly satisfy the category of infrastructure industries.

economies in the world. The economy is growing at over 8%. the government has initiated a number of measures. The for the infrastructure sector. The country needs additional There are good investments happening in roads, seaports, airports, Power, Telecom, Aviation and the Maritime sectors etc. The Public-Private Partnership initiatives, imposition of cess, etc.

is the huge infrastructure spending. With the spending, with the earnings growth. many companies in the infrastructure sector stand to This presents ideal opportunities in the stock market, as the market capitalization of these companies will also grow in having high earnings growth potential in the infrastructure sector. tune with the earnings growth

good business and having quality management. The AMC and the key earnings drivers.

- Energy Power and Power Equipments k. Coal Mining and Minerals m. Ferrous and Non-Ferrous Metals n. Steel and steel utilities
- o. Oil and Gas
- p. Petroleum Products
- Paints a.
- Computers Hardware and Software related to infrastructure
- Industrial Equipments and products
- Electronics and Electronic equipments t.
- u. Ship Building
- v. Casting/Forging
- w. Auto and Auto Ancillaries
- x. Industrial Capital Goods and Products
- v. Cement and Cement Products

The above list of industries is indicative and the AMC may add such other industries/sectors which broadly satisfy the category of

The Indian economy is among the fastest growing economies in the world. The economy is growing at over 8%. If the growth rate has to be The Indian economy is among the fastest growing sustained over a longer period, the country needs huge infrastructure spending. One of the key constraints for the Indian corporates to If the growth rate has to be sustained over a longer period, become globally competitive is inadequate infrastructure. Realizing the country needs huge infrastructure spending. One of the urgency and importance of infrastructure development, the the key constraints for the Indian corporates to become government has initiated a number of measures. The government globally competitive is inadequate infrastructure. Realizing has created a positive regulatory and policy environment like the urgency and importance of infrastructure development, | implementation of the Electricity Act, Telecom policies, etc. The country needs huge investment for the infrastructure sector. The government has created a positive regulatory and policy country needs additional Power, Telecom, Aviation and the Maritime environment like implementation of the Electricity Act, sectors etc. The government is finding innovative ways of funding Telecom policies, etc. The country needs huge investment through Public-Private Partnership initiatives, imposition of cess, etc.

power, oil and gas sectors, water supply, sewerage, etc. Hence one government is finding innovative ways of funding through of the key economic growth drivers today is the huge infrastructure spending. With the spending, many companies in the infrastructure There are good investments happening in roads, seaports, sector stand to benefit by way of increased turnover and higher airports, power, oil and gas sectors, water supply, sewerage, earnings. This presents ideal opportunities in the stock market, as etc. Hence one of the key economic growth drivers today the market capitalization of these companies will also grow in tune

The Scheme is designed to invest in shares of those companies, which benefit by way of increased turnover and higher earnings. hold high potential to benefit from such infrastructure spending. The scheme will look for companies, which are reasonably valued and are

The investment emphasis of the Scheme will be in identifying The scheme is designed to invest in shares of those companies with strong competitive position in good business and companies, which hold high potential to benefit from having quality management. The AMC will follow an active investment such infrastructure spending. The scheme will look for style supported by in-house research. Essentially, the focus would be companies, which are reasonably valued and are having on fundamentally strong companies with scope for good growth over high earnings growth potential in the infrastructure sector. time. The AMC, in selecting the scrips will focus on the fundamentals The investment emphasis of the scheme will be in \mid of the business, the industry structure, the quality of management identifying companies with strong competitive position in sensitivity to economic factors, the financial strength of the company will be made to the Board of the AMC and the Trustees on a regular basis

Risk Mitigation: Investments made by the schemes would that these risks would be completely eliminated. be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risk. With the aim of controlling risks, the investment team of the AMC will carry out rigorous indepth analysis of the securities proposed to be invested in.

While, these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Procedure followed for investment decisions:

The Fund Manager of the Scheme is responsible for making buy/sell decisions for the Scheme's portfolio and seeks to develop a well diversified portfolio taking into account the asset allocation patterns of various schemes along with risks decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.

The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Equities, Head of Fixed Income that Policy relating to originators: meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook.

thesis

It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objective of the Scheme and in the interest of the Unit holders of the Scheme(s).

The AMC will keep a record of all investment decisions in (a) Prepayment risk: MBS and ABS are subject to prepayment risk. accordance with the guidelines issued by SEBI.

The AMC and Trustee will review the performance of the scheme in their Board meetings. The performance would be compared with the performance of the benchmark index and with peer group in the industry.

allocation will be constantly monitored and such variation to identify securities, which offer superior levels of yield at lower will be brought down to the specified asset allocation levels | levels of risks. With the aim of controlling risks, the investment team as soon as normalcy is restored. A report of such variations of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance

Foreign Securities:

required disciplined risk management, the AMC would | The Fund may invest in overseas debt/equities/ADR's/GDR's with the approval of RBI/SEBI, subject to such guidelines as may be issued by RBI/SEBI. The net assets, distributions and income of the scheme may be affected adversely by fluctuations in the value of certain foreign currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be affected by changes in the regulatory and political environments. The Scheme's NAV may also be affected by a fluctuation in the general and specific level of interest rates internationally, or the change in the credit profiles of the issuers.

Securitised Debt:

Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income like characteristics. The risk of investing in securitized debt is similar to investing in debt securities. In addition, securitized debt may also carry prepayment risk and has a relatively higher liquidity risk (the same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated that are associated with such investments. The investment | by the higher returns, he may invest in securitized debt up to the limits specified. The investment shall be in securitized instruments that are rated (AA/A1+) or its equivalent, by a recognised credit rating agency for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund.

The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects The Fund Manager is responsible for facilitating investment the credit quality and servicing of the PTC. Originators may be: Banks, debate and a robust investment culture. The investment Non-Banking Finance Companies, Housing Finance Companies, etc. team would hold ongoing meetings as well as additional | The fund manager's evaluation will be based on the track record of ad-hoc meetings as needed, to explore the investment | the originator, delinquencies in the pool and the seasoning of the pool. Other factors that will be considered are loan type, size of the loan, average original maturity of the pool, Loan to Value Ratio, geographical distribution, liquid facility, default rate distribution, credit enhancement facility and structure of the pool.

Risk associated with each kind of originator:

When the underlying loans are paid off by the borrower prior to their respective due dates, this is known as a prepayment. It could be triggered on account of various factors particularly in periods of declining interest rates. The possibility of such prepayment may require the scheme to reinvest the proceeds of such investments in securities offering lower yields, thereby reducing the scheme's interest income.

Page 12 continued.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

Particulars	Existing	Proposed	Particulars		Existing				Propose	ed	
		 (b) Interest rate risk: MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the prevailing interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled thenure, whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates. (c) Credit risk/default risk: MBS and ABS also carry credit or default risk. MBS and structures carry built —in credit enhancement in different forms. However, any delinquencies would result in reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall. Historically, housing loans have had lower default rates than other forms of credit. (d) Price risk/liquidity risk: MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell them. Thus, these trades may take place at a discount, depending on the prevailing interest rates. In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to assess the credit risk. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity/subordinate tranche (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PT	Benchmark	the associated risks (si etc.) perceived/expec- using adequate risk ma turnover policy will be growth. The AMC believes in ac aim to encash on the o from time to time. How the turnover target of Scheme so long as th profitable without affe the investment and sc Pursuant to Schedule I (Mutual Funds) Regula acquired or purchased for effecting the tran investment sold or rec incurred for effecting to part of the purchase of S&P BSE 100 TRI As approved by the Boo has currently selected for respective schem Pattern/Objective of t the Index. The Investr	uch as inter ted, so as anagement e aimed at tive churnin pportunitie vever the scc 100% to 1 ie above ta acting long- heme obje X read with ations, 1999 I shall inclu saction wh deemed sha the sale tra or the sale ver ard of Direct d the above es on the he Scheme nent Mana ie benchmi- competent tion on co	rest/liquidi to minimis t technique maximisin ng of the pro- es that press- heme shall 50% of the arget is cos- term grow ctive. Regulation 6, the cost ide all such- nile the sai all be net o ansactions value of inv tors/Truste e mention- basis of the e and the co- ger may re- ark index, agencies.	ty/redemption se the risks by s. The portfolio ig the returns/ portfolio with an ent themselves aim to achieve e corpus of the t effective and th prospects of n 50 of the SEBI of investments costs incurred le proceeds of f all such costs and shall form estments. These the Scheme ed benchmark ne Investment composition of evise the same if any, as and AMC may give	 Pursuant to Schedule (Mutual Funds) Regulat or purchased shall inclu transaction while the sa shall be net of all such co and shall form part of th S&P BSE India Infrastrut As approved by the Bo currently selected the al on the basis of the Invess the composition of the Ir same to a more approp formulated by compete perception on comparis 	h as interest as to minimis niques. The po- ereturns/gro ended scheme riptions and r ult to estimate rrnover in the IX read with cions, 1996, th UX read with de all such c ale proceeds o bests incurred fo ne purchase on functure Index The bove-mention the Pattern dex. The Inves- priate benchment agencies.	t/liquidity/ se the risks ortfolio turr owth. e. It is expect redemption e with any re portfolio. h Regulation to cost of inv costs incurre of investmen or effecting tl r the sale va RI tors/Trustee ned benchm n/Objective sstment Man nark index, i AMC may of	redemption etc.) by using adequate over policy will be ed that there would s on a daily basis. easonable measure on 50 of the SEB yestments acquired ed for effecting the t sold or redeemed he sale transactions lue of investments.
		of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and/or guarantees.	7. Canara Robe	eco GILT PGS (Provide	nt Fund, (Gratuity &	Superannua	ation Fund)			
		Minimum retention period of the debt by originator prior to	Particulars		Existing				Propose	ed	
		securitization Issuance of securitized debt is governed by the Reserve Bank of India.	Name of scheme	Canara Robeco Gilt PC Superannuation Fund		nt Fund, G	ratuity හ	Canara Robeco Gilt Fund	d		
		RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before	Type of Scheme	Open-Ended dedicated		ne		An open-ended debt so across maturity.	cheme invest	ting in gove	ernment securities
		they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in	How will the scheme allocate its assets?	The Asset Allocation pattern of the Scheme under circumstances would be as under:		under normal	circumstances would be as under:		ne under norma		
		securitized debt that is in compliance with the regulations. Minimum retention percentage by originator of debts to be securitized	15 35565	Instruments	(% of to	allocations tal assets) Maximum	Risk Profile High/Medium/	Instruments	(% of to	e allocations otal assets) n Maximum	Risk Profile
		RBI norms cover the "true sale" criteria including credit enhancement				Maximum	Low	Govt. Securities	80	100	Low
		and liquidity enhancements, including maximum exposure by the		Govt. Securities/MMI/	0	100	Low	Money Market Instrume		20	Low to Medium
		originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.		Gross Notional Exporinstruments, for the rebalancing shall not Schemes. Subject to the SEBI	purpose o exceed 309 Regulation	of hedging % of the ne ns, the as	and portfolio assets of the set allocation	Across maturity. Investment in Derivative Scheme. Gross investments in se	es can be upto	o 40% of th er the Schei	e Net Assets of the me which includes
		Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same at regular interval. Resources and mechanism of individual risk assessment for		percentages stated a absolute. These prop the perception of the being at all times to se holders. The portfolio address any deviations interalia due to marke to time, for a short te	in view m able regul nust be cle above are portions ca Investment ek to prote would be from the af et changes. erm, alter t	narket conc ations and carly under only indic in vary de t Manager ct the inter reviewed forementio The AMC i the asset co ay also inv	litions, market d political and stood that the ative and not pending upon ; the intention ests of the Unit periodically to ned allocations may from time omposition on vest the funds	will not exceed 100% of limits as may be permit may take derivatives po subject to the guidelines with the overall investm taken to hedge the portf other strategy as permit the scheme in derivative IMD/DF/11/2010 dated time to time. The Scheme may invest assets of the Scheme.	f the net asset tted by SEBI fr osition based of s issued by SEI nent objective folio, rebalanc tted under the e shall be in ac August 18, 20	ts of the Sch rom time to on the oppo BI from time e of the Sche ce the same e SEBI Regula ccordance w 010 as may	neme or such othe time. The Scheme ortunities available to time and in line eme. These may be or to undertake any ations. Exposure by ith Circular No. Cir, be amended from
		monitoring investment in securitized debt – credit analyst prepares a credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head of Fixed income and is approved by the Investment committee.		provisions of SEBI (Mi the circulars issued by Portfolio Rebalancing	utual Funds SEBI from t	s) Regulati time to tim	ons, 1996 and ie.	Asset Allocation: The above asset alloca depending upon the A the general view on ir	MC's percept nterest rates.	ion of the i The asset	markets as well a allocation patter
		The credit analyst shall be responsible for timely analyzing the risk and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the outstanding position, every quarter.		within 10 days. In the rebalanced within the the same shall be pla	e event of e aforesaid aced before	f the sche 1 period, ji e Investme	me not being ustification for ent Committee	indicated above may t considerations. Subject pattern of the scheme time, keeping in view applicable regulations a	to the SEBI Re indicated abo market cond	egulations, t ove may ch litions, mar	he asset allocatio ange from time t ket opportunitie:

		While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.		Investment Committee shall then decide on the course of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall	be in
		Risk Factors Associated with Investments in REITs and InvITs:			at
		 Market Risk: REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends. 			pc fro ch as th
		 Liquidity Risk: As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. 			pr iss Pc Th pa co
		• Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.			ca ba ba re th
		 Regulatory/Legal Risk: REITs and InvITs being new asset classes, rights of unit holders such as right to information etc may differ from existing capital market asset classes under Indian Law. 			to Lir Th
		Procedure followed for investment decisions:			No
		The Fund Manager of the Scheme is responsible for making buy/ sell decisions for the Scheme's portfolio and seeks to develop a well-diversified portfolio taking into account the asset allocation			in m ot
		pattern of the scheme along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects.			Su cu in
		The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings as well as additional ad-hoc meetings as needed, to explore the investment thesis.			pu in ac Ex
		The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Equities, Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook.			Th th Ci sh via pe
		It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objective of the Scheme and in the interest of the Unit holders of the Scheme.			to pe In tre
		The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.			fu M
		The AMC and Trustee will review the performance of the scheme in their Board meetings. The performance would be compared with the performance of the benchmark index and with peer group in the industry.			FII su th wi pr
	Portfolio Purchase and Sale of securities attract transaction costs of Turnover the nature of brokerage, stamp duty, custodian transaction charges etc. The portfolio turnover is essential to regularly explore trading opportunities to optimise returns for the Scheme and enable portfolio restructuring when required.	nature of brokerage, stamp duty, custodian transaction charges etc. The portfolio turnover is essential to regularly explore trading opportunities to optimise returns for the Scheme and enable portfolio	Where will the scheme invest	Subject to the Regulations and the circular dated 19th	Su Su
L	Scheme and enable portiono restructuring when required.		I		

While these measures are expected to mitigate the above risks to

Investment Committee shall then decide on the course be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

Portfolio Rebalancing:

and reasons for the same shall be recorded in writing. applicable regulations and political and economic factors. It must

The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Limits to make Overseas Investments:

The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated 26th September, 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall limit of US\$ 7.00 billion or such other limit as prescribed by SEBI from time to time.

Subject to approval from RBI/SEBI, the Fund may open foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and administering such investments.

Exposure to Derivatives:

	Exposure to bernutives.	L
	The Scheme shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEBI Circular No. DNPD/Cir-29/2005 dated 14th September 2005 and shall be within the limits prescribed by the Board of Trustees. SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005 permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI. Mutual Funds are permitted to participate in the derivatives market at par with Foreign Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in index futures, index options, stock options and stock futures contracts. The Mutual Fund will be considered as trading members like registered FIIs and the schemes of Mutual Funds will be treated as clients like sub-accounts of FIIs. As a part of the fund management process, the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and as per procedure prescribed under the stated circular.	
1011	Cubic state the Desculations, the second of the Cobic second is invested.	

Subject to the Regulations, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities: Government Securities - include Govt. of India securities (zero coupon

Page 13 continued...

(Portfolio Macaulay duration under anticipated adverse situation is 1 year to 7 years)

To generate income through investment in Debt and Money Market securities of different maturity and issuers of through a portfolio constituted of medium to long term debt and

Canara Robeco Mutual Fund Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No : U65990MH1993PLC071003

continued from	previous page				
Particulars	Existing	Proposed	Particulars	Existing	Proposed
	 pattern of the scheme: Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt, Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Financial Institutions with or without ratings, Securitised Debt, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted. Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice Money, (Call and Notice Money Market refers to the market for short term funds including overnight funds. Under call money market, funds are transacted or the period between 2 days and 14 days) Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time. The Scheme proposes to invest in Collateralised Borrowing Lending Obligation (CBLO a discounted money market instrument available in electronic book entry form for the maturity period ranging from one day to ninety Days), Repos Treasury Bills, MIBOR Instruments, CPs, CDs and Govt. Securities may be listed or unlisted. The securities may be listed or unlisted. The securities may be listed or unlisted. The securities may be listed or unsetment in unrated securities whether privately placed or otherwise will be in accordance with SEBI guidelines as applicable. The AMC may from time to time for a short term period under exceptional circumstances on defensive consideration molyfu/alter the investment pattern/asset allocation the 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 acquired through initial public offeringy (DNC),	or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt, Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), either listed or unlisted. Money Market Instruments - include Treasury Bills, Coletarelized Borrowing Lending Obligation, Repos G Reverse Repos in Government Securities/Treasury Bills, Bills re-discounting, alternative investment for the overnight money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by SEB/RBI from time to time. The AMC may from time to time for a short term period under exceptional circumstances on defensive consideration modify/alter the investment pattern/asset allocation the intent being to protect the Net Asset Value of the Scheme & 5th einterests of Unit Holders without seeking consent of the Unit Holders. Derivatives - Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations. Any Other - Any other instruments as may be permissible in future under spapicable regulations. Any Other - Any other instruments and any be permissible in wested in debt and money market instruments including Treasury Bills and Call Money Market. The objective is to enhance the return by choosing appropriate maturity structure. The objective of the Scheme is to generate risk/free return through investments in Sovereign securities is sued by the Central Government ad/or a State Government, ad/ or reverse repos and in such other securities as and when permitted by RBI/SEBI. The Scheme will seek to underwrite issuance of Government Securities if any and to the extent permitted by SEBI/RBI and subject to the prevailing rules and regulations specified in this respect and may also participate in their auction from time to time. The Scheme will seek to underwrite issuance of Government Securities if any and to the extent permitted by SEBI/RBI and subject to the prevaili		 various risks pertaining to the scheme including interest rate, credit and liquidity risks and has placed appropriate limit and control structures that are embedded in the investment process to mitigate these risks. <i>Procedure followed for investment decisions</i> The Fund Manager of the Scheme is responsible for making buy/sell decisions for the Scheme's portfolio and seeks to develop a well diversified portfolio taking into account the asset allocation patterns of various schemes along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects. The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Equities, and Head of Fixed Income that meets at periodic intervals. The Investment strategies for the Scheme, review the performance of the Scheme and the general market outlook. The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings, as well as additional ad-hoc meetings as needed, to explore the investment thesis. It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objective of the Scheme and in the interest of the Unit holders of the Scheme. The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI. 	 Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances: During extreme volatility/ill-liquidity in the capital market/ securities market. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security. Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch. During the time the Fund receives bulk repurchase and/or bulk investment. A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis.
	 Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not 				(Portfolio Macaulay duration under anticipated adverse situation is

- exceed 20% of total deployment by the Mutual Fund in short term deposits. • The Scheme shall not park more than 10% of the net

sponsor scheduled commercial banks together shall not

	• The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.		Objective	Money Market securities different risk profiles. Ho that the investment objec	wever, the	re can be r	no assurance	through a portfolio constituted money market securities and issu there can be no assurance tha scheme will be realized.	ers of diffe	rent risk pro	files. However,
	 The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The aforesaid limits shall not be applicable to term deposits placed as 		How will the scheme allocate	The Asset Allocation patt circumstances would be		Scheme u	nder normal	The Asset Allocation patterr circumstances would be as unde		Scheme u	nder normal
	margins for trading in cash and derivatives market. Any Other: Any other instruments as may be permitted by		its assets?	Instruments		allocations al assets)	Risk Profile	Instruments	(% of to	allocations tal assets)	Risk Profile
	RBI/SEBI/such other regulatory authority from time to time.				Minimum	Maximum	High/Medium Low	Daht and Manay Market	Minimum	Maximum	Laurta
	The funds raised under the Scheme shall be invested only in Govt. Securities defined in Section 2(2) of the Public Debt Act, 1944.			Debt (Including Securitised Debt)	50	100	Medium	Debt and Money Market instruments	0	100	Low to Medium Medium to
	The Scheme envisages investments in Government			Money Market	0	50	Low	REITs/InvITs			High
	securities of various dates of maturity. A portion of the funds may also be invested in Treasury Bills and Call Money Market. The objective is to enhance the return by choosing appropriate maturity structure. The objective of the Scheme			Investment by Scheme domestic securitized deb net assets as on the date	et and shall of such in	not excee vestments	d 20% of the	to generate consistent superio investment objectives and aims Duration of between 4 years to	r risk adj to maint	usted retur	ns as per the
	is to generate risk-free return through investments in sovereign securities issued by the Central Government and/or a State Government, and/or reverse repos and in such other securities as and when permitted by RBI/SEBI.			Gross Notional Exposu instruments for the pu rebalancing shall not ex- Schemes.	rpose of h	nedging a	nd portfolio	However, the Portfolio Macaulay situation could be between 1 year duration is reduced below the s shall record the reasons for the sa	and 7 yea pecified f	rs. Wheneve loor of 4 y	er the portfolio ears, the AMC
	The Scheme will seek to underwrite issuance of Government Securities if any and to the extent permitted by SEBI/RBI and subject to the prevailing rules and regulations specified in this respect and may also participate in their auction from			The stock lending done 15% of the net assets of t lending and that the may not exceed 5% of the net	he Scheme kimum limi	e as on the t per interr	date of such nediary shall	maintain a record for the same. Investment in Derivatives can be Scheme.	·		
	time to time. Investment in other Schemes: The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which :			The Scheme may invest the net assets of the Sch 10% of the net assets of relevant year of the inves Subject to the SEBI Re pattern of the schemes i	eme (subje the Fund) stment. gulations	ect to an ov as on 31st , the asse	verall limit of March each t allocation	Gross investments in securities debt securities, money market in exceed 100% of the net assets of may be permitted by SEBI from t derivatives position based on th the guidelines issued by SEBI from	nstrument the Scher ime to tin e opportu m time to	ts and deriv me or such ne. The Sch nities availa time and i	vatives will not other limits as eme may take able subject to n line with the
	 The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not 			time to time, keeping ir opportunities, applicab economic factors. It mu percentages stated abo absolute. These propor the perception of the Im	n view man le regulat st be clear ove are or tions can vestment M	ket condit ions and p ly understo nly indicat vary depe Manager; t	ions, market political and pod that the ive and not inding upon he intention	Scheme in derivatives shall be i IMD/DF/11/2010 dated August 1 time to time.	he same o SEBI Reg n accorda 8, 2010 a	or to underi ulations. Ex nce with Ci is may be a	take any other cposure by the rcular No. Cir/ amended from
	exceed 5% of NAV of the mutual fund.The Scheme shall not make any investment in any fund of fund scheme.			being at all times to seek holders. The portfolio w address any deviations fro interalia due to market o	ould be re om the afor	eviewed pe ementione	eriodically to dallocations	The Scheme may invest in Forei assets of the Scheme. Exposure by the Scheme in Secu the Net Assets of Scheme at the	itised Deb	ot shall not o	
What are the investment strategies?	secondary markets. As far as possible, the portfolio will be adequately diversified to reduce the risk of	The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified. The funds will be invested predominantly in Government Securities		to time, for a short tern defensive consideration available in repos, bank	n, alter the n and may t deposits i	asset con also inve n accorda	nposition on st the funds nce with the	The Scheme may invest in Unit SEBI guidelines.			d InvITs as per
	underperformance, arising out of unexpected security- specific factors. The funds will be invested only in Government Securities of different maturities. The investments may be made in	of different maturities. The investments may be made in primary as well as secondary markets. As far as possible, the portfolio will be adequately diversified to reduce the risk of under-performance, arising		provisions of SEBI (Mutu the circulars issued by SE Portfolio Rebalancing: The Scheme would endowithin 10 days. In the	BI from tin	ne to time. rebalance f	the portfolio	Asset Allocation: The above asset allocation pat depending upon the AMC's perc general view on interest rates. Th above may thus be altered substa	eption of t e asset al	the markets location pat	s as well as the ttern indicated
	the portfolio will be adequately diversified to reduce the risk of under-performance, arising out of unexpected security-specific factors. The Scheme being open ended, some portion of the portfolio will be invested in short term government securities so as to	and some portion of the portfolio will be invested in liquid securities so as to meet the normal repurchase requirements. The investment will be made in securities which are reasonably liquid and of varying		rebalanced within the a the same shall be place and reasons for the sau Investment Committee of action. However, at a	aforesaid p ed before I me shall b shall then Il times the	eriod, jus nvestment e recordeo decide or e AMC sha	tification for committee d in writing. the course ll endeavour	Subject to the SEBI Regulations, Scheme indicated above may ch view market conditions, market or and political and economic factor the percentages stated above an	the asset ange fron pportunit s. It must e only inc	allocation n time to tir ies, applical be clearly un licative and	pattern of the me, keeping in ble regulations nderstood that I not absolute.
	meet the normal repurchase requirements. The remaining investment will be made in securities which are reasonably liquid and of varying maturity.	changed by the Fund Manager for defensive considerations. The funds raised under the Scheme shall be invested predominantly in Govt. Securities defined in Section 2(2) of the Public Debt Act, 1944.		to ensure that the portf investment objective of t			o the overall	These proportions can vary dep Investment Manager; the inter		g at all tin	

Investment

Objective

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

continued from p		Duran and	Dentional	Putation.	B
Particulars	Existing	Proposed	Particulars	Existing	Proposed
י articulars	Existing	protect the interests of the Unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time. Portfolio Rebalancing: The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not re- balanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. Limits to make Overseas Investments: The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated 26th September, 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall limit of US\$ 7.00 billion or such other limit as prescribed by SEBI from time to time. Subject to approval from RBI/SEBI, the Fund may open foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and administering such investments. Exposure to Derivatives: The Schemes shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEBI Circular No. DNPD/	Particulars	-	 together. However, such limit may be raised to 20% with pric approval of the Trustees. iv. Parking of funds in short term deposits of associate and sponso scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits. v. The Scheme shall not park more than 10% of the net assets i short term deposit(s), with any one scheduled commercial ban including its subsidiaries. vi. The Scheme shall not park funds in short-term deposit of a bank which has invested in the Scheme. The aforesaid limits shall no be applicable to term deposits placed as margins for trading i cash and derivatives market. The Scheme may also invest in the units/securities issued by oversea Mutual Funds or Unit Trusts which invest in the aforesaid securitie and registered with overseas regulators. The Fund may also appoint overseas investment advisors and servic providers, as permissible under the Regulation.
		futures, index options, stock options and stock futures contracts. The Mutual Fund will be considered as trading members like registered FIIs and the schemes of Mutual Funds will be treated as clients like sub-accounts of FIIs. As a part of the fund management process, the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and as per procedure prescribed under the stated circular.	What are the investment strategies?	securities of different maturities and risk profiles offering	Investment Focus and strategy: Canara Robeco Income Fund is an open ended medium term de scheme investing in debt & money market instruments such that th Macaulay duration of the portfolio is between 4 years and 7 years However, the Portfolio Macaulay duration under anticipated adver situation may be between 1 year and 7 years
Where will the scheme invest?	January, 2009, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities in accordance with the asset allocation pattern of the scheme: Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt, Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without	Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted. Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Collateralized Borrowing Lending Obligation, Repos & Reverse Repos in Government Securities/Treasury Bills, Bills rediscounting, MIBOR Instruments, alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by SEBI/RBI from time to time.		depentures.	Whenever the portfolio duration is reduced below the specific floor of 4 years, the AMC shall record the reasons for the same wi adequate justification and maintain a record for the same. The scheme will follow an active interest rate management strateg Performance will depend on the Asset Management Company ability to assess accurately and react to general market condition and changing financial characteristics of the security issuers. The general maturity/Macaulay Duration range for the portfolio relation to the market based on its interest rate outlook will be arrive at after a rigorous and close monitoring of various macro variable The shifts within this range are then determined by short term cyclic trends in the economy. Depending upon prevailing market condition & interest rate scenario, the portfolio Macaulay Duration and averag maturity can be increased or decreased. In case of a rising intere rate environment the Macaulay Duration/average maturity of th scheme may be reduced whereas in a falling interest rate scenar the holding in medium/long securities may be maximized. The Investment Manager will actively monitor the prevailing politic conditions, economic environment (including interest rates ar inflation etc.), performance of the corporate sector and gener liquidity as well as other considerations in the economy & markets assess the likely direction of interest rates and to position the portfol appropriately to take advantage of the same.

to time. The Scheme proposes to invest in Collateralised market instrument available in electronic book entry form for the maturity period ranging from one day to ninety Days), Repos Treasury Bills, MIBOR Instruments, CPs, CDs and Govt. Securities having an original/residual maturity upto 91 days for Canara Robeco Liquid and 365 days for other debt oriented scheme(s). These securities may be listed or unlisted

Foreign Securities - Foreign Securities in the countries debt is normally exposed to a higher level of reinvestment risk. accredited/registered credit rating agencies, such as A-1/

by an underlying cash flow from another asset. Asset | Derivatives - Derivative instruments like Interest Rate Future, Interest credits are packaged and sold in the form of financial instruments. A typical process of asset securitisation involves | under applicable regulations. sale of specific receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (promissory notes, participation certificates or other debt instruments) also referred to as Any Other - Any other instruments as may be permitted by RBI/SEBI/ "Securitised Debt" to the investors evidencing the beneficial ownership of the investors in the receivables.

Investment in "Securitized Debt" includes investment in Asset Backed Receivables and Future Flow Receivables. Such Securitized Debts are asset classes like, personal vehicle backed receivables i.e. housing finance receivables, lease receivables and corporate/consumer loan receivables.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in Short Term Deposits: line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

& the interests of Unit Holders without seeking consent of the Unit Holders.

Short Term Deposits:

Pending deployment of funds of a scheme in terms of investment objectives of the scheme, the Mutual Fund may banks, subject to such Guidelines as may be specified by iii. The Scheme shall not park more than 15% of the net assets in the Board. The investments in these deposits shall be in

means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be Borrowing Lending Obligation (CBLO a discounted money residential or commercial in nature. ABS/MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided As compared to the normal corporate or sovereign debt, securitized

with fully convertible currencies, short term instruments Pass through Certificate (PTC) - (Pay through or other Participation with highest rating (Foreign Currency Credit Rating) by Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple AAA by Standard and Poor, P-1/AAA by Moody's, F1/AAA by loans originated by the sellers of these loans. These loans are given Fitch IBCA, etc, subject to compliance with SEBI Regulation. by banks or financial institutions to corporates. PTCs may be backed, Securitized Debt - Securitised Debt is a financial instrument | but not exclusively, by receivables of personal loans, car loans, two (bond) whose interest and principal payments are backed wheeler loans and other assets subject to applicable regulations.

Securitisation is a process whereby commercial or consumer Rate Swaps, Forward Rate Agreements, or any other derivative instruments that are permissible or may be permissible in future

> REITs/InvITs - The Scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines.

such other regulatory authority from time to time.

Investment in other Schemes - The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which:

receivables, commercial vehicle receivables, mortgage | • The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.

> The Scheme shall not make any investment in any fund of fund scheme.

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. The investments in these The AMC may from time to time for a short term period deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR under exceptional circumstances on defensive consideration | No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. modify/alter the investment pattern/asset allocation the 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November intent being to protect the Net Asset Value of the Scheme 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme shall abide by the following guidelines for parking of funds in short term deposits:

> "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.

- invest them in short term deposits of schedule commercial | ii. Such short-term deposits shall be held in the name of the Scheme.
 - short term deposit(s) of all the scheduled commercial banks put

Government Securities, Treasury Bills under this Scheme.

portfolio may be invested in Money Market Instruments circumstances: so as to meet the normal repurchase requirements. The remaining investment will be made in securities which are either expected to be reasonably liquid or of varying maturity. However, the NAV of the Schemes may be affected, if the securities invested in are rendered illiquid after investment.

The Investment Manager targets to identify securities which offer optimum level of yield at lower level of risks. Rated debt instruments in which the Scheme invests will be of investment grade as rated by the credit rating agency. The Investment Manager will be guided by the ratings of agency approved by SEBI for this purpose. The Investment Manager may also invest in un-rated securities subject to the provisions and restrictions laid down by SEBI.

economic conditions, including the political, economic \mid on a regular basis. environment and factors affecting liquidity and interest rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.

The Scheme, in order to achieve the objectives, will carefully select the debt securities of various maturities and risk profile. Such as Central/State Govt. Securities, Bonds of PSU/FIs, Corporate Debt of both public and private sector undertakings, Certificate of Deposits, Commercial Papers and such other instruments. The securities mentioned above could be listed or un-listed, secured or unsecured, rated or un-rated of varving maturity. The securities may be acquired through IPO. secondary market operations, private placements, rights offer or negotiated deals.

Investment Pattern and changes:

The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances:

- During extreme volatility/ill-liquidity in the capital market/securities market.
- In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.
- other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch.
- During the time the Fund receives bulk repurchase and/ or bulk investment.

A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation

or interest amount in respect of investments made in | The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance The Scheme being open ended, some portion of the with change in Regulations from time to time, under the following

- During extreme volatility/ill-liquidity in the capital market/ securities market.
- In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.
- Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch.
- During the time the Fund receives bulk repurchase and/or bulk investment

A review will be made as and when such variation takes place, and, Rating Agencies such as CRISIL, CARE, ICRA or any other | if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of In addition, the Investment Manager will monitor the macro such variations will be made to the Board of the AMC and the Trustees

Risk Mitigation:

Since investing requires disciplined risk management, the AMC would incorporate adequate safequards for controlling risks in portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been thoroughly analyzed by the AMC.

Through adequate diversification of the portfolio, the AMC tries to reduce the risk. Diversification will also be achieved by spreading the investments over a diverse range of industries/sectors. The Scheme, generally does not intend investing in illiquid and unlisted securities. However, if the case merits, the Scheme may invest in such securities adhering to prudential norms on a case to case basis.

The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified.

The Scheme being open ended, some portion of the portfolio may be invested in Money Market Instruments so as to meet the normal repurchase requirements. The remaining investment will be made in securities which are either expected to be reasonably liquid or of varying maturity. However, the NAV of the Scheme may be affected, if the securities invested in are rendered illiquid after investment.

In addition, the Investment Manager will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would • Declaration of war or occurrence of insurgency, or any use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.

> The Scheme may use derivatives instruments like Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging or portfolio balancing or any other purpose

as allowed under the regulations, within the permissible limit of the portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

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Particulars	Existing	Proposed	Particulars	Existing	Proposed
	as soon as normalcy is restored. A report of such variations	As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations.			is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the
	Risk Control Mechanism:	Debt Securities:			Investment Committee (IC) of the AMC and IC shall review the same
	Since investing requires disciplined risk management, in order to protect the interests of investors, the AMC would incorporate adequate safeguards for controlling risks in the portfolio. As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Where required, scheme specific guidelines are also in place.	investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, CARE,			at regular interval. Resources and mechanism of individual risk assessment for monitoring investment in securitized debt – credit analyst prepares a credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head of Fixed Income and is approved by the Investment committee. The credit analyst shall be responsible for timely analyzing the risk and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the
	Debt Securities:	investing required disciplined risk management, the AMC would			outstanding position, every quarter.
	Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making	incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute			While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.
	investments. As part of credit evaluation, a study on the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, CARE, ICRA etc. as well as the internal norms for credit exposure.	help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities			 Risk Factors Associated with Investments in REITs and InvITs: Market Risk: REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.
	Securitised Debt:	Foreign Securities:			 Liquidity Risk: As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes,
	As a risk control measure, the Scheme shall make investment in such Securitised Debts which have a minimum rating of P1+ and/or such other equivalent rating for short term papers or AAA and/or such other equivalent rating for long term papers which suits the risk profile of the Scheme. The ratings AAA or its equivalent , P1+ or its equivalent assigned to instruments reflects highest degree of safety	The Fund may invest in overseas debt/equities/ADR's/GDR's with the approval of RBI/SEBI, subject to such guidelines as may be issued by RBI/SEBI. The net assets, distributions and income of the scheme may be affected adversely by fluctuations in the value of certain foreign currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be			 settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. Reinvestment Risk: Investments in REITS & InvITS may carry reinvestment risk as there could be repatriation of funds by
	with regard to timely payment of financial obligations and the + sign reflects comparatively better standing within the category. Investments in these instruments with the highest ratings suit the risk profile of the Scheme relating to Debt	Scheme's NAV may also be affected by a fluctuation in the general and specific level of interest rates internationally, or the change in the credit profiles of the issuers.			 the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns. Regulatory/Legal Risk: REITs and InvITs being new asset classes,
	and Money Market Instruments, the same being "Low to Medium". The investment shall be in those securitized debt instruments which mature on or before the maturity	Securitized debt is a form of conversion of normally non-tradable			rights of unit holders such as right to information etc may differ from existing capital market asset classes under Indian Law.
	date of the Scheme and the Scheme shall not invest in any	a special purpose vehicle (a trust), which in turn issues Pass-Through-			Procedure followed for investment decisions:
	Pool of Assets. Policy relating to Originator(s) - The Scheme shall invest in those Securitised Debt, whose Originator is a Corporate Entity, being a Bank or an NBFC. The Scheme shall invest in the instruments subject to necessary investment limits mentioned under SEBI regulations. Risk may be mitigated by seeking additional credit support (credit enhancement) in order that the instrument(s) may receive the desired level	and carry prepariment risk and has a relatively higher inductor risk (the same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified. The investment shall be in securitized instruments that are rated ($\Delta A(1+)$ or its equivalent by a recognized credit ration agoncy			The Fund Manager of the Scheme is responsible for making buy/ sell decisions for the Scheme's portfolio and seeks to develop a well-diversified portfolio taking into account the asset allocation patterns of the scheme along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects. The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold
1	of credit rating. Further, prior to investing in Securitised Debt, it would be ensured that the minimum retention period of the debt and minimum retention percentage by	for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund.			ongoing meetings as well as additional ad-hoc meetings as needed, to explore the investment thesis.
	the Originator prior to securitization shall be as prescribed by the RBI guidelines. Any investment in Securitised Debt has to go through an independent credit appraisal process and no special consideration shall be given to whether the				The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Equities, Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook.
	Level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments – The Scheme shall not be investing in any pool of assets. Investment in securitized asset shall only be single	Non-Banking Finance Companies, Housing Finance Companies, etc. The fund manager's evaluation will be based on the track record of the originator, delinquencies in the pool and the seasoning of the pool. Other factors that will be considered are loan type, size of the			It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objective of the Scheme and in the interest of the Unit holders of the Scheme.
	loan securitized debt instruments backed by originator as referred above.				The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.
	Resources and mechanism of individual risk assessment for monitoring investment in securitized debt – Dedicated credit analyst prepares a credit note analyzing the proposal including detailed risk assessment of the underlying.	 Risk associated with each kind of originator: Prepayment risk: MBS and ABS are subject to prepayment risk. 			The AMC and Trustee will review the performance of the Scheme in their Board meetings. The performance would be compared with the performance of the benchmark index and with peer group in the industry.
	The credit note is recommended by the Head of Fixed	their respective due dates, this is known as a prepayment. It could	9. Canara Robe	eco Medium Term Opportunities Fund	
	Income and is approved by the Investment committee. The dedicated credit analyst shall be responsible for timely		Particulars	Existing	Proposed
		require the scheme to reinvect the proceeds of such investments			

Inve

Obi

Particulars	Existing	Proposed
Name of Scheme	Canara Robeco Medium Term Opportunities Fund	Canara Robeco Corporate Bond Fund
Type of Scheme An open-ended Debt Scheme		An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds.

to the investment committee the outstanding position, every quarter

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

analyzing the risk and monitoring the performance of such

investments made on an ongoing basis and shall report

Procedure followed for investment decisions:

The Fund Manager of the Scheme is responsible for making buy/sell decisions for the Scheme's portfolio and seeks to develop a well diversified portfolio taking into account the asset allocation patterns of various schemes along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects. The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management Head of Equities, and Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook. The Fund Manager is responsible for facilitating investment debate and a robust investment

Interest rate risk: MBS carry interest rate risk. Home loan borrower are provided the facility of refinancing their loans at the prevailing interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled tenure, whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates.

require the scheme to reinvest the proceeds of such investments

in securities offering lower yields, thereby reducing the scheme's

interest income

- Credit risk/default risk: MBS and ABS also carry credit or default risk. MBS and structures carry built --in credit enhancement in different forms. However, any delinquencies would result in reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall. Historically, housing loans have had lower default rates than other forms of credit.
- Price risk/liquidity risk: MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell them. Thus these trades may take place at a discount, depending on the prevailing interest rates.

In case of securitization involving single loans or a small pool of culture. The investment team would hold ongoing meetings, loans, the credit risk of the underlying borrower is analyzed. In case as well as additional ad-hoc meetings as needed, to of diversified pools of loans, the overall characteristic of the loans explore the investment thesis. It is the responsibility of the is analyzed to assess the credit risk. Securitization transactions AMC to seek to ensure that the investments are made as may include some risk mitigants (to reduce credit risk). These may per the Regulatory guidelines, the investment objective include interest subvention (difference in interest rates on the of the Scheme and in the interest of the Unit holders of underlying loans and the PTC serving as margin against defaults), the Scheme. The AMC will keep a record of all investment overcollateralization (issue of PTCs of lesser value than the underlying decisions in accordance with the guidelines issued by SEBI. | loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity/subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and/or guarantees.

Minimum retention period of the debt by originator prior to securitization

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Minimum retention percentage by originator of debts to be securitized

RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund

The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator

ojective	income and capital appreciation through a portfolio constituted of medium term debt instruments and money	The Scheme seeks to generate income and capital appreciation through a portfolio constituted predominantly of AA+ and above rated Corporate Debt across maturities. However, there can be no assurance that the investment objective of the scheme will be realized.

How will the The Asset Allocation pattern of the Scheme under normal The Asset Allocation pattern of the Scheme under normal scheme allocate | circumstances would be as under: circumstances would be as under: its assets?

_			-		-				_		
-	-	-	-	-	-	-	-	-	Т	-	

Instruments		allocations al assets)	Risk Profile	Instruments		
instruments	Minimum Maximum H		High/Medium/			
			Low	AA+ and above rated Corporate		
Gol හ Debt Securities	60	100	Low to	Debt of varying maturities		
			Medium	Other Debt (including		
Money Market Instruments#	0	40	Low	government securities) and Money Market Instruments		
The fund will maintain p between 3 to 7 years.	ortfolio we	eighted ave	erage maturity	REITs/InvITs		

The scheme shall not make any investments in foreign debt. The scheme shall not make any investments in Securitised Scheme. debt. The Scheme does not intend to enter Repo/Reverse repo transactions in corporate debt securities.

#Money Market Instruments include Commercial Papers. Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year. Call or Notice Money, Certificate of Deposit. Usance Bills. Collateralized Borrowing Lending Obligation, Repos & Reverse Repos in Government Securities/Treasury Bills, Bills re-discounting, MIBOR Instruments, alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by SEBI/RBI from time to time.

High Investment in Derivatives can be upto 40% of the Net Assets of the

Indicative allocations

(% of total assets)

Minimum Maximum

100

20

10

80

0

0

Risk Profile

Low to

Medium

Low to

Medium

Medium to

Gross investments in securities under the Scheme which includes debt securities, money market instruments and derivatives will not exceed 100% of the net assets of the Scheme or such other limits as may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/ IMD/DF/11/2010 dated August 18, 2010 as may be amended from time to time

Subject to guidelines specified by SEBI (MF) Regulations as may be amended from time to time, exposure by the Scheme in derivative instruments for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the Net Assets of Scheme at the time of investment. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 as may be amended from time to time.

The cumulative gross exposure under the scheme in which includes debt securities, money market instruments including cash and cash equivalent and derivatives shall not exceed 100% of the net assets of the scheme

pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and

The Scheme may invest in Foreign Securities up to 10% of the net assets of the Scheme.

> Exposure by the Scheme in Securitised Debt shall not exceed 40% of the Net Assets of Scheme at the time of investment.

The scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines.

Asset Allocation:

The above asset allocation pattern is not absolute and can vary depending upon the AMC's perception of the markets as well as the general view on interest rates. The asset allocation pattern indicated above may thus be altered substantially on defensive considerations. Subject to the SEBI Regulations, the asset allocation Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly economic factors. It must be clearly understood that the understood that the percentages stated above are only indicative percentages stated above are only indicative and not absolute. These proportions can vary depending upon the absolute. These proportions can vary depending upon perception of the Investment Manager; the intention being at all the perception of the Investment Manager; the intention times to seek to protect the interests of the Unit holders. The portfolio being at all times to seek to protect the interests of the Unit would be reviewed periodically to address any deviations from holders. The portfolio would be reviewed periodically to the aforementioned allocations inter alia due to market changes.

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Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

continued from provious page

Particulars	Existing	Proposed	Particulars	Existing	Proposed
					Such short-term deposits shall be held in the name of the Scheme
	to time, for a short term, alter the asset composition on	composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.		scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund. The Scheme shall not make any investment in any fund of	 The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
	provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time. Portfolio Rebalancing:	Portfolio Rebalancing: The AMC reserves the right to change the above asset allocation		fund scheme.	 Parking of funds in short term deposits of associate and sponso scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
	The scheme shall rebalance the portfolio within 30 days. However, the scheme will endeavor to complete the	pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not re-			 The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial ban including its subsidiaries.
	being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing. Investment Committee shall then decide on the course	balanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere			 The Scheme shall not park funds in short-term deposit of a bank which has invested in the Scheme. The aforesaid limits shall no be applicable to term deposits placed as margins for trading in cash and derivatives market.
	of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall investment objective of the schemes.	to the overall investment objectives of the Scheme. Limits to make Overseas Investments:			The Scheme may also invest in the units/securities issued by oversea: Mutual Funds or Unit Trusts which invest in the aforesaid securities and registered with overseas regulators.
		The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated 26th September, 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per			The Fund may also appoint overseas investment advisors and service providers, as permissible under the Regulation.
		mutual fund, subject to an overall limit of US\$ 7.00 billion or such	What are the	Investment Focus and strategy:	Investment Focus and strategy:
		other limit as prescribed by SEBI from time to time.	investment	The aim of the Investment Manager is to identify and	Corporate debt securities normally trade above government
		Subject to approval from RBI/SEBI, the Fund may open foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and	strategies?	income securities with the objective of generate optimal returns at lower levels of risks and at the same time ensuring reasonable liquidity.	securities, having similar maturity profiles, with respect to yields. Canara Robeco Corporate Bond Fund is an open ended debt scheme predominantly investing in AA+ and above rated corporate bonds and seeking to generate income and capital appreciation.
		administering such investments. Exposure to Derivatives:		political conditions, economic environment (including	The Scheme will aim to provide investors with yield spread on corporate debt securities by cautiously managing the excess risk on its corporate investments. Under normal circumstances, the scheme
		The Schemes shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEBI Circular No. DNPD/Cir-29/2005 dated 14th September 2005 and shall be within the limits prescribed by the Board of Trustees. SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005		corporate sector and general liquidity as well as other considerations in the economy ${\mathfrak S}$ markets to assess the	intends to invest most of its assets (minimum 80% of its total assets) in AA+ and above rated corporate bonds with the objective of generating optimal returns at lower levels of risks and at the same time ensuring reasonable liquidity. Remaining investments will be made in other debt securities and money market instruments which are expected to
		permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI. Mutual Funds are permitted to participate in the derivatives market at par with Foreign		rate scenario, the portfolio duration and average maturity can be increased or decreased. In case of a rising interest rate environment the duration/average maturity of the fund	be reasonably liquid and of varying maturities. However, the NAV of the Scheme may be impacted if the securities invested in are rendered illiquid after investment.
		Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in index futures, index options, stock options and stock futures contracts. The Mutual Fund will be considered as trading members like registered		the holding in medium/long securities may be maximized.	The Scheme will follow an active interest rate management strategy Performance will depend on the Asset Management Company's ability to assess accurately and react to general market conditions and changing financial characteristics of the security issuers.
		FIIs and the schemes of Mutual Funds will be treated as clients like sub-accounts of FIIs. As a part of the fund management process, the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and as per procedure		Investment Pattern and changes: The above investment pattern is indicative and may be changed by the Investment Manager for defensive	The general maturity/Macaulay Duration range for the portfolio in relation to the market based on its interest rate outlook will be arrived at after a rigorous and close monitoring of various macro variables.
nere will the		prescribed under the stated circular. Subject to the Regulations, the corpus of the Scheme may be invested		considerations and in accordance with change in Regulations from time to time, under the following circumstances:	The shifts within this range are then determined by short term cyclical trends in the economy. Depending upon prevailing market conditions & interest rate scenario, the portfolio Macaulay Duration and average
eme invest?	in all or any one of (but not exclusively) the following	best instruments include both of india securities (zero coupon of		 During extreme volatility/ill-liquidity in the capital market/securities market. In case of natural calamity, strikes, riots, bandhs etc., 	maturity can be increased or decreased. In case of a rising interest rate environment the Macaulay Duration/average maturity of the scheme may be reduced whereas in a falling interest rate scenario
		coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with or without		affecting the valuation of security.	the holding in medium/long securities may be maximized.
		Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures		Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial	The Investment Manager will actively monitor the prevailing political conditions, economic environment (including interest rates and
		issued by public, private sector undertakings, Financial Institutions with or without ratings, Usance Bills (Bills of Exchange drawn on a		emergency or disturbance, resulting in liquidity crunch.	inflation etc), performance of the corporate sector and general
	bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private	term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted.		• During the time the Fund receives bulk repurchase and/ or bulk investment.	liquidity as well as other considerations in the economy & markets to assess the likely direction of interest rates and to position the portfolio
	sector undertakings, Financial Institutions with or without ratings, Securitised Debt, Usance Bills (Bills of Exchange	Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an un-expired		A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons	appropriately to take advantage of the same. Investment Pattern and changes:
	the companies involved) and other Domestic Instruments	maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Collateralized Borrowing Lending Obligation, Repos		thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation	The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance
		& Reverse Repos in Government Securities/Treasury Bills, Bills re- discounting, MIBOR Instruments, alternative investment for the call		will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations	with change in Regulations from time to time, under the following
	Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice	money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by		will be made to the Board of the AMC and the Trustees on a regular basis.	circumstances: 1. During extreme volatility/ill-liquidity in the capital market/ securities market
	for the set to use founds in shading a susmitted to the destruction of the destruction of the set o			Risk Control Mechanism:	securities market. 2. In case of natural calamity, strikes, riots, bandhs etc., affectinc
	money market, funds are transacted on overnight basis and	Foreign Securities - as permitted by RBI and SEBI Securitised Debt - The Scheme may invest in domestic securitized debt		Since investing requires disciplined risk management, in order to protect the interests of investors, the AMC would	the valuation of security.
	under notice money market, funds are transacted for the	such as asset backed securities (ABS) or mortgage backed securities		incorporate adequate safeguards for controlling risks in	3. Declaration of war or occurrence of insurgency, or any other
	Usance Bills and any other like instruments as specified	(MBS). ABS means securitized debts wherein the underlying assets are		the portfolio. As a prudent measure, the AMC has broad	serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch.
	by the Reserve Bank of India/SEBL from time to time. The	receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables		internal investment norms and investments made through the scheme would be in accordance with the investment	

Scheme proposes to invest in Collateralised Borrowing Lending Obligation (CBLO a discounted money market instrument available in electronic book entry form for the maturity period ranging from one day to ninety Days), Repos Treasury Bills, MIBOR Instruments, CPs, CDs and Govt. Securities having an original/residual maturity upto 91 days for Canara Robeco Liquid and 365 days for other debt oriented scheme.

These securities may be listed or unlisted.

Short Term Deposits:

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 in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. as amended or updated from time to time. The Scheme(s) under applicable regulations. shall abide by the following guidelines for parking of funds in short term deposits:

- "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- Such short-term deposits shall be held in the name of the Scheme.
- net assets in short term deposit(s) of all the scheduled Regulations, 1996 according to which: commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
- iv. Parking of funds 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.
- The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- vi. The Scheme shall not park funds in short-term deposit of \mid Short Term Deposits: a bank, which has invested in the Scheme. The aforesaid margins for trading in cash and derivatives market.

Any Other: Any other instruments as may be permitted by RBI/SEBI/such other regulatory authority from time to time.

Investment in other Schemes:

Regulations, 1996 according to which:

The Scheme may invest in another scheme under the same | • "Short Term" for parking of funds shall be treated as a period not asset management company or in any other mutual fund exceeding 91 days.

means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be residential or commercial in nature. ABS/MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.

Pending deployment of funds of a scheme in terms of Pass through Certificate (PTC) - (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given the Board. The investments in these deposits shall be by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR wheeler loans and other assets subject to applicable regulations.

No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 Derivatives - Derivative instruments like Interest Rate Future. Interest November 2003, 16 April 2007, 26 October 2007 and 23 | Rate Swaps, Forward Rate Agreements, or any other derivative June 2008 respective and any other applicable guidelines | instruments that are permissible or may be permissible in future

- REITs/InvITs The scheme may invest in Units issued by REITs and InvITs as per SEBI guidelines.
- Any Other Any other instruments as may be permitted by RBI/SEBI/ such other regulatory authority from time to time.

Investment in other Schemes - The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) iii. The Scheme(s) shall not park more than 15% of the | read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds)

- The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.
- The Scheme shall not make any investment in any fund of fund scheme.

Pending deployment of funds of a scheme in terms of investment limits shall not be applicable to term deposits placed as 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. The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November The investment by the Scheme in other Mutual Fund 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective Schemes will be in accordance with Regulation 44(1) read and any other applicable guidelines as amended or updated from with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) time to time. The Scheme shall abide by the following guidelines for parking of funds in short term deposits:

the scheme would be in accordance with the investment objectives of the scheme and provisions of SEBI Regulations.

Debt Securities:

Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be Risk Mitigation: guided by the ratings of accredited agencies such as CRISIL, CARE. ICRA etc. as well as the internal norms for credit exposure. Investments made by the schemes would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth

analysis of the securities proposed to be invested in. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Procedure followed for investment decisions:

The Fund Manager of the Scheme is responsible for making buy/sell decisions for the Scheme's portfolio and seeks to develop a well diversified portfolio taking into account the that are associated with such investments. The investment AMC has constituted an Investment Committee, currently Head of Equities, and Head of Fixed Income that meets to formulate broad investment strategies for the Scheme,

review the performance of the Scheme and the general market outlook. The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings, as well as additional ad-hoc meetings as needed, to

explore the investment thesis. It is the responsibility of the **Debt Securities:**

AMC to seek to ensure that the investments are made as | Concentration of risk is mitigated by defining issuer limits. Rigorous per the Regulatory guidelines, the investment objective in-depth credit evaluation of the issuers will be conducted by the of the Scheme and in the interest of the Unit holders of investment team before making investments. As part of credit the Scheme. The AMC will keep a record of all investment evaluation, a study on the operating environment, past track record decisions in accordance with the guidelines issued by SEBI. as well as future prospects of the issuer, short as well as long term

During the time the Fund receives bulk repurchase and/or bulk investment.

A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis.

Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been thoroughly analyzed by the AMC.

Through adequate diversification of the portfolio, the AMC tries to reduce the risk. Diversification will also be achieved by spreading the investments over a diverse range of industries/sectors. The Scheme, generally does not intend investing in illiquid and unlisted securities. However, if the case merits, the Scheme may invest in such securities adhering to prudential norms on a case to case basis.

identify securities, which offer superior levels of yield at The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified

> The Scheme being open ended, some portion of the portfolio may be invested in Money Market Instruments so as to meet the normal repurchase requirements. The remaining investment will be made in securities which are either expected to be reasonably liquid or of varying maturity. However, the NAV of the Scheme may be affected, if the securities invested in are rendered illiquid after investment.

In addition, the Investment Manager will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would asset allocation patterns of various schemes along with risks use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.

decisions are made on an ongoing basis keeping in view The Scheme may use derivatives instruments like Interest Rate the market conditions and other regulatory aspects. The | Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for comprising of the CEO, COO, Head of Risk Management, the purpose of hedging or portfolio balancing or any other purpose as allowed under the regulations, within the permissible limit of the at periodic intervals. The Investment Committee's role is portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

> As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations.

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Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

continued from previous page					
Particulars	Existing	Proposed	Particulars	Existing	Proposed
		financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, CARE, ICRA etc. as well as the internal norms for credit exposure. Investments made by the schemes would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would			Resources and mechanism of individual risk assessment fo monitoring investment in securitized debt – credit analyst prepares a credit note analyzing the proposal including detailed risk assessmen of the underlying. The credit note is recommended by the Head of Fixed income and is approved by the Investment committee The credit analyst shall be responsible for timely analyzing the risk and monitoring the performance of such investments made on ar ongoing basis and shall report to the investment committee the outstanding position, every quarter. While these measures are expected to mitigate the above risks to
		help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team			a large extent, there can be no assurance that these risks would b completely eliminated.
		of the AMC will carry out rigorous in-depth analysis of the securities			Risk Factors Associated with Investments in REITs and InvITs:
		proposed to be invested in. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated. Foreign Securities:			 Market Risk: REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessar due diligence but actual market movements may be at variance with the anticipated trends.
		The Fund may invest in overseas debt/equities/ADR's/GDR's with the approval of RBI/SEBI, subject to such guidelines as may be issued by RBI/SEBI. The net assets, distributions and income of the scheme may be affected adversely by fluctuations in the value of certain foreign currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be affected by changes in the regulatory and political environments. The Scheme's NAV may also be affected by a fluctuation in the general			• Liquidity Risk: As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.
		and specific level of interest rates internationally, or the change in the credit profiles of the issuers. Securitised Debt: Securitized debt is a form of conversion of normally non-tradable			• Reinvestment Risk: Investments in REITs & InvITs may carr reinvestment risk as there could be repatriation of funds b the Trusts in form of buyback of units or dividend pay-outs, etc Consequently, the proceeds may get invested in assets providing lower returns.
		loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through- Certificates (PTCs). These PTCs are transferable securities with fixed income like characteristics. The risk of investing in securitized debt is			 Regulatory/Legal Risk: REITs and InvITs being new asset classes rights of unit holders such as right to information etc may diffe from existing capital market asset classes under Indian Law.
		similar to investing in debt securities. In addition, securitized debt may also carry prepayment risk and has a relatively higher liquidity risk (the same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified. The investment shall be in securitized instruments that are rated (AA/A1+) or its equivalent, by a recognised credit rating agency for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund.			Procedure followed for investment decisions: The Fund Manager of the Scheme is responsible for making buy sell decisions for the Scheme's portfolio and seeks to develop well-diversified portfolio taking into account the asset allocatio patterns of the scheme along with risks that are associated with suc investments. The investment decisions are made on an ongoing bas keeping in view the market conditions and other regulatory aspect The Fund Manager is responsible for facilitating investment debat and a robust investment culture. The investment team would hol
		Policy relating to originators: The originator is the person who has initially given the loan. The			ongoing meetings as well as additional ad-hoc meetings as needed to explore the investment thesis.
		originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects the credit quality and servicing of the PTC. Originators may be: Banks, Non-Banking Finance Companies, Housing Finance Companies, etc. The fund manager's evaluation will be based on the track record of			The AMC has constituted an Investment Committee, currentl comprising of the CEO, COO, Head of Risk Management, Head of Equities, Head of Fixed Income that meets at periodic intervals The Investment Committee's role is to formulate broad investmen strategies for the Scheme, review the performance of the Schem and the general market outlook.
		the originator, delinquencies in the pool and the seasoning of the pool. Other factors that will be considered are loan type, size of the loan, average original maturity of the pool, Loan to Value Ratio, geographical distribution, liquid facility, default rate distribution, credit enhancement facility and structure of the pool.			It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objective of the Scheme and in the interest of the Un- holders of the Scheme.
		Risk associated with each kind of originator:			The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.
		 Prepayment risk: MBS and ABS are subject to prepayment risk. When the underlying loans are paid off by the borrower prior to their respective due dates, this is known as a prepayment. It could be triggered on account of various factors particularly in periods of declining interest rates. The possibility of such prepayment may 			The AMC and Trustee will review the performance of the scheme their Board meetings. The performance would be compared wit the performance of the benchmark index and with peer group the industry.
		require the scheme to reinvest the proceeds of such investments		co Savings Plus Fund	
		in securities offering lower yields, thereby reducing the scheme's	Particulars	Existing	Proposed
		interest income.	Name of Scheme	Canara Robeco Savings Plus Fund	Canara Robeco Savings Fund

- Interest rate risk: MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the prevailing interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled tenure, whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates.
- Credit risk/default risk: MBS and ABS also carry credit or default

is between 6 months and 12 months Investment To generate income/capital appreciation by investing in a | To generate income/capital appreciation by investing in a portfolio portfolio comprising of short term debt instruments and comprising of low duration debt instruments and money market Objective money market instruments with weighted average portfolio instruments. However, there can be no assurance that the investment duration between 3 months to less than 1 year. However, objective of the scheme will be realized. there can be no assurance that the investment objective of the scheme will be realized.

- risk. MBS and structures carry built -in credit enhancement in different forms. However, any delinguencies would result in reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall. Historically, housing loans have had lower default rates than other forms of credit.
- Price risk/liquidity risk: MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell them. Thus these trades may take place at a discount, depending on the prevailing interest rates.

In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to assess the credit risk. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity/subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and/or guarantees.

Minimum retention period of the debt by originator prior to securitization

Issuance of securitized debt is governed by the Reserve Bank of India RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Minimum retention percentage by originator of debts to be securitized

RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund

The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same at regular interval.

The Asset Allocation pattern of the Scheme under normal The Asset Allocation pattern of the Scheme under normal How will the scheme allocate | circumstances would be as under: circumstances would be as under:

Instruments		cative allocations of total assets) Risk Profile		Instruments		allocations al assets)	Risk Profile
Instruments	Minimum	Maximum	High/Medium/		Minimum	Maximum	
		maximum	Low	Debt හ Money Market	0	100	Louista Maalluura
Indian Money Market	ian Money Market 50 100 Low to		Instruments	0	100	Low to Medium	
Instruments	50	100	Medium	REITs/InvITs	0	10	Medium to High
Indian Debt Securities	0	50	Low to Medium	The Fund will invest in deb to generate consistent su			

Type of Scheme An open-ended Debt Scheme

its assets?

Exposure by the Fund in Securitised Debt shall not exceed investment objectives and aims to maintain a portfolio Macaulay 25% of the Net Assets of Scheme at the time of investment.

Gross Notional Exposure by the Fund in derivative instruments for the purpose of hedging and portfolio Scheme. rebalancing shall not exceed 30% of the Net Assets of Scheme at the time of investment.

Total of investments in debt securities (including securitized exposure in derivatives shall not exceed 100% of the net assets of the Scheme.

Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not

the circulars issued by SEBI from time to time.

investment objective of the schemes.

Portfolio Rebalancing:

absolute. These proportions can vary depending upon The Scheme may invest in Foreign Securities up to 10% of the net the perception of the Investment Manager; the intention

Exposure by the Scheme in Securitised Debt shall not exceed 40% of holders. The portfolio would be reviewed periodically to the Net Assets of Scheme at the time of investment. address any deviations from the aforementioned allocations

The scheme may invest in Units issued by REITs and InvITs as per interalia due to market changes. The AMC may from time SEBI guidelines. to time, for a short term, alter the asset composition on

defensive consideration and may also invest the funds Asset Allocation: available in repos, bank deposits in accordance with the

The above asset allocation pattern is not absolute and can vary provisions of SEBI (Mutual Funds) Regulations, 1996 and depending upon the AMC's perception of the markets as well as the general view on interest rates. The asset allocation pattern indicated above may thus be altered substantially on defensive considerations. Subject to the SEBI Regulations, the asset allocation The scheme would endeavour to rebalance the portfolio pattern of the schemes indicated above may change from time to within 10 days. In the event of the scheme not being time, keeping in view market conditions, market opportunities, rebalanced within the aforesaid period, justification for applicable regulations and political and economic factors. It must the same shall be placed before Investment Committee be clearly understood that the percentages stated above are only and reasons for the same shall be recorded in writing. indicative and not absolute. These proportions can vary depending Investment Committee shall then decide on the course upon the perception of the Investment Manager; the intention being of action. However, at all times the AMC shall endeavour at all times to seek to protect the interests of the Unit holders. The to ensure that the portfolio would adhere to the overall portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

Page 18 continued.

exceed 100% of the net assets of the Scheme or such other limits as debt), money market instruments and gross notional may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to

the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure by the

An open-ended low duration debt scheme investing in debt & money

market instruments such that the Macaulay duration of the portfolio

Investment in Derivatives can be upto 40% of the Net Assets of the

Gross investments in securities under the Scheme which includes

debt securities, money market instruments and derivatives will not

scheme in derivative shall be in accordance with Circular No. Cir/ IMD/DF/11/2010 dated August 18, 2010 as may be amended from time to time.

assets of the Scheme. being at all times to seek to protect the interests of the Unit

Duration of between 6 months and 12 months.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No : U65990MH1993PLC071003

Particulars	Existing	Proposed	Particulars	Existing	Proposed
Particulars	Existing	Proposed	Particulars		
		Portfolio Rebalancing: The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere		 assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries. The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The aforesaid 	 which has invested in the Scheme. The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market. The Scheme may also invest in the units/securities issued by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities and registered with overseas regulators. The Fund may also appoint overseas investment advisors and service providers, as permissible under the Regulation.
		to the overall investment objectives of the Scheme. Limits to make Overseas Investments: The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated 26th September, 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall limit of US\$ 7.00 billion or such other limit as prescribed by SEBI from time to time. Subject to approval from RBI/SEBI, the Fund may open foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and administering such investments. Exposure to Derivatives: The Schem shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEBI Circular No. DNPD/Cir-29/2005 dated 14th September 2005 and		 limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market. Any Other: Any other instruments as may be permitted by RBI/SEBI/such other regulatory authority from time to time. Investment in other Schemes: The investment by the Scheme(s) in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which: The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management of any other AMC shall not exceed 5% of NAV of the mutual fund. The Scheme shall not make any investment in any fund of fund scheme. 	
		shall be within the limits prescribed by the Board of Trustees. SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005 permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI. Mutual Funds are permitted to participate in the derivatives market at par with Foreign Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in index futures, index options, stock options and stock futures contracts. The Mutual Fund will be considered as trading members like registered FIIs and the schemes of Mutual Funds will be treated as clients like sub-accounts of FIIs. As a part of the fund management process, the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and as per procedure prescribed under the stated circular.	What are the investment strategies?	The fund manager will take an active view of the interest rate movement by keeping a close watch on various macroeconomic parameters of the Indian economy as well as developments in global markets. Investment views/ decisions will be taken on the basis of the various factors like, prevailing interest rate scenario, Government's borrowing program, level of liquidity in the banking system, inflation levels and overall macro economic growth of the country. As far as possible, the portfolio will be adequately diversified to reduce the risk of under-performance arising out of unexpected security-specific factors. Investments will be made in State/Central Government Securities, Treasury Bills : i) supported by the ability to	The Scheme will follow an active interest rate management strategy. Performance will depend on the Asset Management Company's ability to assess accurately and react to general market conditions and changing financial characteristics of the security issuers. The general maturity/Macaulay Duration range for the portfolio in relation to the market based on its interest rate outlook will be arrived at after a rigorous and close monitoring of various macro variables. The shifts within this range are then determined by short term cyclical trends in the economy. Depending upon prevailing market conditions
Where will the scheme invest?	January, 2009, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities in accordance with the asset allocation pattern of the scheme: Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt, Govt. Agencies and other statutory	Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Collateralized Borrowing Lending Obligation, Repos & Reverse Repos in Government Securities/Treasury Bills, Bills re- discounting, MIBOR Instruments, alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by SEBI/RBI from time to time. Foreign Securities - as permitted by RBI and SEBI		guarantee or of the Statement Government, iii) supported by the Government of India/State Government in any other manner. The Scheme will seek to underwrite issuance of Government Securities if any, to the extent permitted by SEBI/RBI, subject to the prevailing rules and regulations specified in this respect. The Scheme may also participate in their auction from time to time. In addition, the Investment Manager will study the macro economic conditions, including political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same. There can be no assurance that the investment	 Investment Pattern and changes: The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances: During extreme volatility/ill-liquidity in the capital market/
	and under notice money market, funds are transacted of overhight basis and under notice money market, funds are transacted for the period between 2 days and 14 days) Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time. The Scheme proposes to invest in Collateralised Borrowing Lending Obligation (CBLO a discounted money market instrument available in electronic book entry form for the maturity period ranging from one day to ninety Days), Repos Treasury Bills, MIBOR Instruments, CPs, CDs and Govt. Securities having an original/residual maturity upto 91 days for Canara Robeco Liquid and 365 days for other debt oriented scheme(s). These securities may be listed or unlisted. Securitized Debt - Securitised Debt is a financial instrument (bond) whose interest and principal payments are backed	(MBS). ABS means securitized debts wherein the underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be residential or commercial in nature. ABS/MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may		 The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances: During extreme volatility/ill-liquidity in the capital market/securities market. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security. Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch. During the time the Fund receives bulk repurchase and/ or bulk investment. 	 Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch. During the time the Fund receives bulk repurchase and/or bulk investment. A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis. Risk Mitigation:

Securitized Debt - Securitised Debt is a financial instrument (bond) whose interest and principal payments are backed by an underlying cash flow from another asset. Asset Pass through Certificate (PTC) - (Pay through or other Participation instruments. A typical process of asset securitisation involves issues financial instruments (promissory notes, participation certificates or other debt instruments) also referred to as | Derivatives - Derivative instruments like Interest Rate Future, Interest "Securitised Debt" to the investors evidencing the beneficial ownership of the investors in the receivables.

Investment in "Securitized Debt" includes investment in under applicable regulations. Asset Backed Receivables and Future Flow Receivables. Such | REITs/InvITs - The Scheme may invest in Units issued by REITs and Securitized Debts are asset classes like, personal vehicle InvITs as per SEBI guidelines. receivables, commercial vehicle receivables, mortgage backed receivables i.e. housing finance receivables, lease receivables and corporate/consumer loan receivables.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

The AMC may from time to time for a short-term period under exceptional circumstances on defensive consideration modify/alter the investment pattern/asset allocation the intent being to protect the Net Asset Value of the Scheme & the interests of Unit Holders without seeking consent of the Unit Holders.

Short Term Deposits:

9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR | parking of funds in short term deposits: No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 | • "Short Term" for parking of funds shall be treated as a period not November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:

- "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- Such short-term deposits shall be held in the name of the Scheme.
- The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.

Securitisation is a process whereby commercial or consumer | Certificates) represents beneficial interest in an underlying pool of credits are packaged and sold in the form of financial cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given sale of specific receivables to a Special Purpose Vehicle (SPV) by banks or financial institutions to corporates. PTCs may be backed, set up in the form of a trust or a company. The SPV in turn but not exclusively, by receivables of personal loans, car loans, two wheeler loans and other assets subject to applicable regulations.

> Rate Swaps, Forward Rate Agreements, or any other derivative instruments that are permissible or may be permissible in future

Any Other - Any other instruments as may be permitted by RBI/SEBI/ such other regulatory authority from time to time.

Investment in other Schemes - The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which:

• The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.

The Scheme shall not make any investment in any fund of fund scheme

Short Term Deposits:

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. The investments in these Pending deployment of funds of a scheme in terms of deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR investment objectives of the scheme, the Mutual Fund may No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. invest them in short term deposits of schedule commercial 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November banks, subject to such Guidelines as may be specified by 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective the Board. The investments in these deposits shall be and any other applicable guidelines as amended or updated from in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. time to time. The Scheme shall abide by the following guidelines for

exceeding 91 days.

- Such short-term deposits shall be held in the name of the Scheme.
- The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.

Parking of funds 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.

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

A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels

a regular basis.

Risk Control Mechanism:

Since investing requires disciplined risk management, in order to protect the interests of investors, the AMC would incorporate adequate safeguards for controlling risks in the portfolio. As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Where required, scheme specific guidelines are also in place.

Debt Securities:

Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, CARE, ICRA etc. as well as the internal norms for credit exposure

Securitised Debt:

As a risk control measure, the Scheme shall make investment in such Securitised Debts which have a minimum term papers or AAA and/or such other equivalent rating for \mid SEBI Regulations. long term papers which suits the risk profile of the Scheme.

The ratings AAA or its equivalent , P1+ or its equivalent assigned to instruments reflects highest degree of safety with regard to timely payment of financial obligations and the + sign reflects comparatively better standing within the category. Investments in these instruments with the highest and Money Market Instruments, the same being "Low to debt instruments which mature on or before the maturity Pool of Assets.

Policy relating to Originator(s) – The Scheme shall invest incorporate adequate safeguards for controlling risks in the portfolio in those Securitised Debt. whose Originator is a Corporate construction process. The risk control process involves reducing risks Entity, being a Bank or an NBFC. The Scheme shall invest through portfolio diversification, taking care however not to dilute in the instruments subject to necessary investment limits | returns in the process. The AMC believes that this diversification would mentioned under SEBI regulations. Risk may be mitigated | help achieve the desired level of consistency in returns. The AMC aims by seeking additional credit support (credit enhancement) | to identify securities, which offer superior levels of yield at lower levels

Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been thoroughly analyzed by the AMC.

as soon as normalcy is restored. A report of such variations Through adequate diversification of the portfolio, the AMC tries to will be made to the Board of the AMC and the Trustees on | reduce the risk. Diversification will also be achieved by spreading the investments over a diverse range of industries/sectors. The Scheme. generally does not intend investing in illiquid and unlisted securities. However, if the case merits, the Scheme may invest in such securities adhering to prudential norms on a case to case basis.

> The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified.

The Scheme being open ended, some portion of the portfolio may be invested in Money Market Instruments so as to meet the normal repurchase requirements. The remaining investment will be made in securities which are either expected to be reasonably liquid or of varying maturity. However, the NAV of the Scheme may be affected, if the securities invested in are rendered illiquid after investment.

In addition, the Investment Manager will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would be conducted by the investment team before making use this analysis to assess the likely direction of interest rates and investments. As part of credit evaluation, a study on position the portfolio appropriately to take advantage of the same.

> The Scheme may use derivatives instruments like Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging or portfolio balancing or any other purpose as allowed under the regulations, within the permissible limit of the portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance rating of P1+ and/or such other equivalent rating for short with the investment objectives of the schemes and provisions of

Debt Securities:

Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record as well as future prospects of the issuer, short as well as long term ratings suit the risk profile of the Scheme relating to Debt financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, CARE, Medium". The investment shall be in those securitized ICRA etc. as well as the internal norms for credit exposure. Investments made by the schemes would be in accordance with the investment date of the Scheme and the Scheme shall not invest in any objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would

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Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

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continued from p	previous page				
Particulars	Existing	Proposed	Particulars	Existing	Proposed
	of credit rating. Further, prior to investing in Securitised Debt, it would be ensured that the minimum retention period of the debt and minimum retention percentage by the Originator prior to securitization shall be as prescribed by the RBI guidelines. Any investment in Securitised Debt has to go through an independent credit appraisal process and no special consideration shall be given to whether the Originator has invested in any Scheme(s) of Canara Robeco Mutual Fund Level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments – The Scheme shall not be investing in any pool of assets. Investment in securitized asset shall only be single	mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated. Foreign Securities: The Fund may invest in overseas debt/equities/ADR's/GDR's with the approval of RBI/SEBI, subject to such guidelines as may be issued by RBI/SEBI. The net assets, distributions and income of the scheme may be affected adversely by fluctuations in the value of certain foreign currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be affected by changes in the regulatory and political environments. The			 due diligence but actual market movements may be at variance with the anticipated trends. Liquidity Risk: As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. Reinvestment Risk: Investments in REITS & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns. Regulatory/Legal Risk: REITs and InvITs being new asset classes, rights of unit holders such as right to information etc may differ from writting carried market part of acces under taken by taken and the market and the set of the set o
	Resources and mechanism of individual risk assessment for monitoring investment in securitized debt – Dedicated credit analyst prepares a credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head of Fixed income and is approved by the Investment committee. The dedicated credit analyst shall be responsible for timely analyzing the risk and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the outstanding position, every quarter. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks to a large extent, there can be no assurance that these risks would be completely eliminated. Procedure followed for investment decisions: The Fund Manager of the Scheme is responsible for making buy/sell decisions for the Scheme is responsible for making that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects. The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Equities, and Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook. The Fund Manager is responsible for	Securitised Debt: Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income like characteristics. The risk of investing in securitized debt is similar to investing in debt securities. In addition, securitized debt may also carry prepayment risk and has a relatively higher liquidity risk (the same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified. The investment shall be in securitized instruments that are rated (AA/A1+) or its equivalent, by a recognised credit rating agency for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund. Policy relating to originators: The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects the credit quality and servicing of the PTC. Originators may be: Banks, Non-Banking Finance Companies, Housing Finance Companies, etc. The fund manager's evaluation will be based on the track record of the originator, delinquencies in the pool and the seasoning of the pool. Other factors that will be considered are loan type, size of the loan, average original maturity of the pool, Loan to Value Ratio, geographical distribution, liquid facility, default rate distribution, credit enhancement facility and structure of the pool.	Benchmark	Crisil Liquid Fund Index As approved by the Board of Directors/Trustees the Scheme has currently selected the above mentioned benchmark for respective schemes on the basis of the Investment Pattern/Objective of the Scheme and the composition of the Index. The Investment Manager may revise the same to a more appropriate benchmark index, if any, as and	from existing capital market asset classes under Indian Law. Procedure followed for investment decisions: The Fund Manager of the Scheme is responsible for making buy/ sell decisions for the Scheme's portfolio and seeks to develop a well-diversified portfolio taking into account the asset allocation patterns of the scheme along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects. The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings as well as additional ad-hoc meetings as needed, to explore the investment thesis. The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Equities, Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general market outlook. It is the responsibility of the AMC to seek to ensure that the investment objective of the Scheme and in the interest of the Unit holders of the Scheme. The AMC and Trustee will review the performance of the scheme in their Board meetings. The performance would be compared with the performance of the benchmark index and with peer group in the industry. CRISIL Ultra Short Term Debt Index As approved by the Board of Directors/Trustees the Scheme has currently selected the above-mentioned benchmark for the Scheme and the composition of the Index. The Investment Manager may revise the same to a more appropriate benchmark index, if any, as and when formulated by competent agencies. AMC may give its comments/ perception on comparison of returns and benchmarks, if desired.
	of the Scheme and in the interest of the Unit holders of the Scheme. The AMC will keep a record of all investment	in securities offering lower yields, thereby reducing the scheme's interest income.		benchmarks, if desired.	
	decisions in accordance with the guidelines issued by SEBI.	 Interest rate risk: MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the prevailing 		co Treasury Advantage Fund	
		interest rates. A lowering of interest rates could induce a borrower	Particulars	Existing	Proposed
		to pay his loan off earlier than the scheduled tenure, whereas if		Canara Robeco Treasury Advantage Fund	Canara Robeco Ultra Short Term Fund
		the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates.			An open-ended ultra-short term debt scheme investing in debt & money market instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months
		 Credit risk/default risk: MBS and ABS also carry credit or default risk. MBS and structures carry built –in credit enhancement in different forms. However, any delinquencies would result in 	Investment Objective	strategy by investment in Money Market Instruments (MMI).	To generate returns by investing in a wide range of debt securities and money market instruments of various maturities and risk profile. However, there is no assurance that the objective of the Fund will be realised.
		reduction of the principal amount if the amount available in the			

How will the

its assets?

scheme allocate

Instruments

MMI/Call/Debt

Instruments/cash

and cash equivalents

with residual average

maturity of equal to or

less than one year

- reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall. Historically, housing loans have had lower default rates than other forms of credit
- Price risk/liquidity risk: MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell them. Thus these trades may take place at a discount, depending on the prevailing interest rates.

In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans

Medium The Fund will invest in debt and money market securities in order to generate consistent superior risk adjusted returns as per the investment objectives and aims to maintain a portfolio Macaulay Investment by the Scheme in securitized debt is limited to Duration of between 3 months and 6 months. domestic securitized debt and shall not exceed 15% the net

Instruments

instruments

REITs/InvITs

Debt and Money Market

is analyzed to assess the credit risk. Securitization transactions may ijnclude some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity/subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and/or guarantees.

Minimum retention period of the debt by originator prior to securitization

Issuance of securitized debt is governed by the Reserve Bank of India RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Minimum retention percentage by originator of debts to be securitized

RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund

The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same at regular interval.

Resources and mechanism of individual risk assessment for monitoring investment in securitized debt - credit analyst prepares a credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head of Fixed Income and is approved by the Investment committee. The credit analyst shall be responsible for timely analyzing the risk and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the outstanding position, every quarter.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Risk Factors Associated with Investments in REITs and InvITs:

 Market Risk: REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary assets at the time of investment.

Gross Exposure by the Scheme in derivative instruments, for the purpose of hedging and portfolio rebalancing shall not exceed 30% of the net assets of the Schemes.

0

Indicative allocations

(% of total assets)

Minimum Maximum

100

Risk Profile

Low to

Investment by the Scheme in Derivative Instruments (Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA) shall not exceed 30% of the net assets of the Scheme as on the date of such investments.

Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market economic factors. It must be clearly understood that the time to time. percentages stated above are only indicative and not absolute. These proportions can vary depending upon

the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations interalia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on Asset Allocation: defensive consideration and may also invest the funds

available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

Portfolio Rebalancing:

The Scheme would endeavour to rebalance the portfolio within 10 days. In the event of the scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee and reasons for the same shall be recorded in writing. Investment Committee shall then decide on the course of action. However, at all times the AMC shall endeavour to ensure that the portfolio would adhere to the overall investment objective of the schemes.

Investment in Derivatives can be upto 40% of the Net Assets of the Scheme.

0

0

Indicative allocations

(% of total assets)

Minimum Maximum

100

10

Risk Profile

Low to Medium

Medium to High

Gross investments in securities under the Scheme which includes debt securities, money market instruments and derivatives will not exceed 100% of the net assets of the Scheme or such other limits as may be permitted by SEBI from time to time. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure by the scheme in derivative shall be in accordance with Circular No. Cir/ opportunities, applicable regulations and political and IMD/DF/11/2010 dated August 18, 2010 as may be amended from

> The Scheme may invest in Foreign Securities up to 10% of the net assets of the Scheme.

Exposure by the Scheme in Securitised Debt shall not exceed 40% of the Net Assets of Scheme at the time of investment

The scheme may invest in Units issued by REITs and InvITs as per SEBI auidelines.

The above asset allocation pattern is not absolute and can vary depending upon the AMC's perception of the markets as well as the general view on interest rates. The asset allocation pattern indicated above may thus be altered substantially on defensive considerations. Subject to the SEBI Regulations, the asset allocation pattern of the schemes indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

Portfolio Rebalancing:

The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Limits to make Overseas Investments:

The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated 26th September. 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall limit of US\$ 7.00 billion or such other limit as prescribed by SEBI from time to time.

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Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

continued from	previous page				
Particulars	Existing	Proposed	Particulars	Existing	Proposed
		Subject to approval from RBI/SEBI, the Fund may open foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and administering such investments.		under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund. The Scheme/s shall not make any investment in any fund of fund scheme.	
		Exposure to Derivatives: The Schemes shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEBI Circular No. DNPD/Cir-29/2005 dated 14th September 2005 and shall be within the limits prescribed by the Board of Trustees. SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005 permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI. Mutual Funds are permitted to participate in the derivatives market at par with Foreign Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in index futures, index options, stock options and stock futures contracts. The Mutual Fund will be considered as trading members like registered FIIs and the schemes of Mutual Funds will be treated as clients like sub-accounts of FIIs. As a part of the fund management process, the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and as per procedure	What are the investment strategies?	 objective through investments in combination of debt and money market instruments having varied yield and maturity profile. The Scheme is positioned as an intervening investment avenue between short term debt scheme and liquid scheme. Apart from investment restrictions under SEBI (MF) Regulations, the Fund does not presently intend to follow any internal norms vis-a-vis limiting exposure to a particular security or sector etc. However, the Fund may consider imposing any restrictions depending on the changes in the investment environment from time to time. The fund will be invested in debt and money market securities of different maturity and risk profiles. The investments may be made in primary as well as secondary markets. As far as possible, the portfolio will be adequately diversified to reduce the risk of under-performance arising out of unexpected security-specific factors. Investments will 	term debt scheme investing in debt & money market instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. The Fund will invest in debt and money market securities in order to generate consistent superior risk adjusted returns as per the investment objectives and aims to maintain an overall Macaulay Duration of the portfolio between 3 months and 6 months under normal circumstances. The scheme will follow an active interest rate management strategy. Performance will depend on the Asset Management Company's ability to assess accurately and react to general market conditions and changing financial characteristics of the security issuers. The general maturity/Macaulay Duration range for the portfolio in relation to the market based on its interest rate outlook will be arrived at after a rigorous and close monitoring of various macro variables. The shifts within this range are then determined by short term cyclical
Where will the scheme invest?	January, 2009, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities in accordance with the asset allocation pattern of the scheme: Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt, Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, Securitised Debt, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted. Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice Money, (Call and Notice Money Market refers to the market for short term funds including overnight funds. Under call money market, funds are transacted on overnight basis and under notice money market, funds are transacted for the period between 2 days and 14 days) Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time. The Scheme proposes to invest in Collateralised Borrowing Lending Obligation (CBLO a discounted money market instrument available in electronic book entry form for the maturity period ranging from one day to ninety Days), Repos Treasury Bills, MIBOR Instruments, CPs, CDs and Govt. Securities having an original/residual maturity upto 91 days for Canara Robeco Liquid and 365 days for other debt oriented scheme(s). These securities may be listed or unlisted. Securitized Debt - Securitised Debt is a financial instrument (bond) whose interest and principal payments are backed by an underlying cash flow from another asset. Asset Securitisation is a process whereby commercial or consumer credits are packaged and sold in the form	 Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted. Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Collateralized Borrowing Lending Obligation, Repos & Reverse Repos in Government Securities/Treasury Bills, Bills rediscounting, MIBOR Instruments, alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by SEBI/RBI from time to time. Foreign Securities – as permitted by RBI and SEBI Securitised Debt – The scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables arising from personal loans, BS/MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer credit losses in the event of the sellors and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level		 be made in State/Central Government Securities, Treasury Bills : i) supported by the ability to borrow from the Treasury ii) supported by sovereign guarantee or of the Statement Government, iii) supported by the Government of India/State Government in any other manner. The Scheme will seek to underwrite issuance of Government Securities if any, to the extent permitted by SEBI/RBI, subject to the prevailing rules and regulations specified in this respect. The Scheme may also participate in their auction from time to time. In addition, the Investment Manager will study the macro economic conditions, including political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same. There can be no assurance that the investment objective of the Scheme will be realised. It is however, emphasized that, there is no risk of default of payment of either principal or interest amount in respect of investments made in Government Securities, Treasury Bills, under this Scheme. Investment Pattern and changes: The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances: During extreme volatility/ill-liquidity in the capital market/securities market. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security. 	 trends in the economy. Depending upon prevailing market conditions & interest rate scenario, the portfolio Macaulay Duration and average maturity can be increased or decreased. In case of a rising interest rate environment the Macaulay Duration/average maturity of the scheme may be reduced whereas in a falling interest rate scenario the holding in medium/long securities may be maximized. The Investment Manager will actively monitor the prevailing political conditions, economic environment (including interest rates and inflation etc.), performance of the corporate sector and general liquidity as well as other considerations in the economy & markets to assess the likely direction of interest rates and to position the portfolio appropriately to take advantage of the same. Investment Pattern and changes: The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances: During extreme volatility/ill-liquidity in the capital market/ securities market. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security. Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch. During the time the Fund receives bulk repurchase and/or bulk investment. A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations is beyond 10%, the reasons thereof will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations will be made to
	Investment in "Securitized Debt" includes investment in Asset Backed Receivables and Future Flow Receivables. Such Securitized Debts are asset classes like, personal vehicle receivables, commercial vehicle receivables, mortgage backed receivables i.e. housing finance receivables, lease receivables and corporate/consumer loan receivables. The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offerings (IPOs) secondary market operations	InvITs as per SEBI guidelines. Any Other - Any other instruments as may be permitted by RBI/SEBI/ such other regulatory authority from time to time. Investment in other Schemes - The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations 1996 according to which:		and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.	

initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Investment in unrated securities will be in accordance with SEBI guidelines as applicable.

The AMC may from time to time for a short term period under exceptional circumstances on defensive consideration Short Term Deposits: modify/alter the investment pattern/asset allocation the intent being to protect the Net Asset Value of the Scheme & the interests of Unit Holders without seeking consent of the Unit Holders.

Short Term Deposits:

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. The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 e Such short-term deposits shall be held in the name of the Scheme. June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:

- "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- Such short-term deposits shall be held in the name of the Scheme.
- The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
- Parking of funds 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.
- The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.
- **Any Other:** Any other instruments as may be permitted by RBI/SEBI/such other regulatory authority from time to time.

Investment in other Schemes: The investment by the Scheme(s) in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which :

The Scheme/s may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes

- The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.
- The Scheme shall not make any investment in any fund of fund scheme

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. The investments in these deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003. 16 April 2007. 26 October 2007 and 23 June 2008 respective and any other applicable guidelines as amended or updated from time to time. The Scheme shall abide by the following guidelines for parking of funds in short term deposits: • "Short Term" for parking of funds shall be treated as a period not

- exceeding 91 days.
- The Scheme shall not park more than 15% of the net assets in
- short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
- Parking of funds 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.

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

- The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.
- The Scheme may also invest in the units/securities issued by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities and registered with overseas regulators.

The Fund may also appoint overseas investment advisors and service providers, as permissible under the Regulation.

if the securities invested in are rendered illiquid after investment.

In addition, the Investment Manager will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.

The Scheme may use derivatives instruments like Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging or portfolio balancing or any other purpose as allowed under the regulations, within the permissible limit of the portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance with the investment objectives of the schemes and provisions of **SEBI** Regulations.

Debt Securities:

Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making investments. As part of credit evaluation, a study on the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such as CRISIL, CARE, ICRA etc. as well as the internal norms for credit exposure. Investments made by the schemes would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Foreign Securities:

The Fund may invest in overseas debt/equities/ADR's/GDR's with the approval of RBI/SEBI, subject to such guidelines as may be issued by RBI/SEBI. The net assets, distributions and income of the scheme may be affected adversely by fluctuations in the value of certain foreign currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be affected by changes in the regulatory and political environments. The Scheme's NAV may also be affected by a fluctuation in the general and specific level of interest rates internationally, or the change in the credit profiles of the issuers.

Securitised Debt:

Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to

Page 21 continued.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

continued from previous pa	-	Durananad	Dartiaulaur	-	vietir -			P		
Particulars	Existing	· · ·	Particulars	Ex	listing					
articulars	Existing	Proposeda special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixedincome like characteristics. The risk of investing in securitized debt issimilar to investing in debt securities. In addition, securitized debt mayalso carry prepayment risk and has a relatively higher liquidity risk (thesame are explained in the sections that follow). However, if the fundmanager evaluates that the additional risks are suitably compensatedby the higher returns, he may invest in securitized debt up to the limitsspecified. The investment shall be in securitized instruments that arerated (AA/A1+) or its equivalent, by a recognised credit rating agencyfor the retail pool, and for single loan securitization, limits will beassigned as per the internal credit policy of the Fund.Policy relating to originators:The originator is the person who has initially given the loan. Theoriginator is also usually responsible for servicing the loan (i.e.collecting the interest and principal payments). An analysis of theoriginator is especially important in case of retail loans as this affectsthe credit quality and servicing of the PTC. Originators may be: Banks,Non-Banking Finance Companies, Housing Finance Companies, etc.The fund manager's evaluation will be based on the track record ofthe originator, delinquencies in the pool and the seasoning of thepool. Other factors that will be considered are loan type, size of theloan, average original maturity of the pool, Loan to Value Ratio,geographical distribution, liquid facility, default rate distribu	Particulars	Ex	<u>disting</u>			Prop Procedure followed for investment The Fund Manager of the Schem sell decisions for the Scheme's well-diversified portfolio taking in patterns of the scheme along with investments. The investment decis keeping in view the market condit The Fund Manager is responsible and a robust investment culture. ongoing meetings as well as addit to explore the investment thesis. The AMC has constituted an In comprising of the CEO, COO, Hei Equities, Head of Fixed Income The Investment Committee's role strategies for the Scheme, review and the general market outlook. It is the responsibility of the A investments are made as per investment objective of the Schem holders of the Scheme. The AMC will keep a record of all in with the guidelines issued by SEB The AMC and Trustee will review t their Board meetings. The perfor the performance of the benchmarket	t decisions: e is responsi portfolio and nto account risks that are ons are made ons and othe for facilitatin The investment for facilitatin The investment Co d of Risk Ma that meets a is to formula the perform MC to seek the Regulat ne and in the vestment de he performa mance woul	I seeks to develop the asset allocatio associated with suc e on an ongoing basi er regulatory aspects g investment debat ent team would hol meetings as needed ommittee, currentl anagement, Head c at periodic intervals the broad investmer hance of the Schem to ensure that th ory guidelines, th e interest of the Un cisions in accordance nce of the scheme i d be compared wit
		Risk associated with each kind of originator:						the industry.		
		• Prepayment risk: MBS and ABS are subject to prepayment risk. When the underlying loans are paid off by the borrower prior to	12. Canara Rob	eco Yield Advantage Fund						
		their respective due dates, this is known as a prepayment. It could	Particulars	Ex	kisting			Prop	osed	
		be triggered on account of various factors particularly in periods of declining interest rates. The possibility of such prepayment may	Name of Schem	e Canara Robeco Yield Advan	ntage Fund			Canara Robeco Short Duration Fu	nd	
		require the scheme to reinvest the proceeds of such investments in securities offering lower yields, thereby reducing the scheme's interest income.	Type of Scheme	An open-ended Debt Schen	ne			An open-ended short term debt s market instruments such that the is between 1 year and 3 years		2
		 Interest rate risk: MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the prevailing interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled tenure, whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the maturity 	Investment Objective	debt securities and Money	Market Inv nd a small p ed Instrume	vestments portion of ir ents. Howe	of various nvestment ever, there		various matu	rities and risk profile
		 of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates. Credit risk/default risk: MBS and ABS also carry credit or default 	How will the scheme allocate its assets?	2 Instruments	(% of tot	allocations tal assets) Maximum	Risk Profile	Instruments (%	tive allocation of total assets) num Maximu	Risk Profile
		risk. MBS and structures carry built –in credit enhancement in different forms. However, any delinquencies would result in		Indian Debt and Money Market Instruments	-	100	Low	Debt and Money Market C	100	Low to Medium
		reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall.		Equity & Equity related Instruments	0	10	High	REITS/InvITs C The Fund will invest in debt and	10	Medium to High
		 Historically, housing loans have had lower default rates than other forms of credit. Price risk/liquidity risk: MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell 		derivative instruments for	the purpo not exceed a of investme	ose of hed 30% of the ent.	lging and net assets	to generate consistent superior investment objectives and aims Duration of between 1 year to 3 ye Investment in Derivatives can be	risk adjusteo o maintain a ars.	d returns as per the a portfolio Macaula
		them. Thus these trades may take place at a discount, depending on the prevailing interest rates. In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to assess the credit risk. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity/subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and/or guarantees.		instruments, Equity and Ec gross notional exposure in 100% of the net assets of th The Scheme does not inten Asset Allocation: Subject to the SEBI Regu pattern of the schemes ind time to time, keeping in vi opportunities, applicable economic factors. It must I percentages stated above absolute. These proportio the perception of the Invess being at all times to seek to	quity Relation n derivative he Scheme d to invest ilations, the icated above iew market regulation be clearly to e are only ons can varions stment Mar protect the	ed Instrum es shall no in Securiti ne asset a ve may cha t condition is and pol understooc indicative ry depend nager; the e interests o	nents and ot exceed sed Debt. ange from is, market itical and d that the e and not ing upon intention of the Unit	Gross investments in securities u debt securities, money market ins exceed 100% of the net assets of t may be permitted by SEBI from tin derivatives position based on the the guidelines issued by SEBI from overall investment objective of th hedge the portfolio, rebalance th strategy as permitted under the S scheme in derivative shall be in IMD/DF/11/2010 dated August 18 time to time. The Scheme may invest in Foreig assets of the Scheme.	truments an he Scheme o ne to time. T opportunitie time to time e Scheme. Th e Scheme or to EBI Regulati accordance v , 2010 as ma n Securities o	d derivatives will nc r such other limits a he Scheme may tak s available subject t e and in line with th hese may be taken t undertake any othe ons. Exposure by th vith Circular No. Cir ay be amended fror up to 10% of the ne
		Minimum retention period of the debt by originator prior to securitization Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in		holders. The portfolio wou address any deviations from interalia due to market cha to time, for a short term, a defensive consideration a available in repos, bank de provisions of SEBI (Mutual the circulars issued by SEBI	the aforem anges. The alter the as nd may al eposits in a Funds) Reg	AMC may sset composed so invest accordance gulations,	Illocations from time osition on the funds with the	the Net Assets of Scheme at the ti The scheme may invest in Units SEBI guidelines. Asset Allocation:	me of investr issued by RE rn is not ab eption of the	nent. ITs and InvITs as pe solute and can vai e markets as well a

Minimum retention percentage by originator of debts to be securitized

securitized debt that is in compliance with the regulations.

RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund

The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the Scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same at regular interval.

Resources and mechanism of individual risk assessment for monitoring investment in securitized debt – credit analyst prepares a credit note analyzing the proposal including detailed risk assessment of the underlying. The credit note is recommended by the Head of Fixed Income and is approved by the Investment committee. The credit analyst shall be responsible for timely analyzing the risk and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the outstanding position, every guarter.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Risk Factors Associated with Investments in REITs and InvITs:

- Market Risk: REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.
- Liquidity Risk: As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.
- Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- Regulatory/Legal Risk: REITs and InvITs being new asset classes, rights of unit holders such as right to information etc may differ from existing capital market asset classes under Indian Law.

Portfolio Rebalancing:

being rebalanced within the aforesaid period, justification and reasons for the same shall be recorded in writing. investment objective of the schemes.

ndicated above may thus be altered substantially on defensive The Scheme shall rebalance the portfolio within 30 days. considerations. Subject to the SEBI Regulations, the asset allocation However, the scheme will endeavour to complete the \mid pattern of the schemes indicated above may change from time to rebalancing within 10 days. In the event of the scheme not time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must for the same shall be placed before investment Committee be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary depending Investment Committee shall then decide on the course upon the perception of the Investment Manager; the intention being of action. However, at all times the AMC shall endeavour | at all times to seek to protect the interests of the Unit holders. The to ensure that the portfolio would adhere to the overall portfolio would be reviewed periodically to address any deviations from the aforementioned allocations inter alia due to market changes. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time.

the general view on interest rates. The asset allocation pattern

Portfolio Rebalancing:

The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 30 days. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Limits to make Overseas Investments:

The Schemes are permitted under SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated 26th September. 2007 to make overseas investments subject to the maximum of US\$ 300.00 million per mutual fund, subject to an overall limit of US\$ 7.00 billion or such other limit as prescribed by SEBI from time to time.

Subject to approval from RBI/SEBI, the Fund may open foreign currency accounts abroad directly or through its Custodian to facilitate investments and to deal in currency contracts, futures, options for the purpose of hedging the risk of assets. The Fund may also appoint intermediaries, sub- custodians or other agencies for managing and administering such investments.

Exposure to Derivatives:

The Scheme shall follow exposure limits on Derivatives as per the exposure limits permitted under the Regulations as per SEBI Circular No. DNPD/Cir-29/2005 dated 14th September 2005 and shall be within the limits prescribed by the Board of Trustees. SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005 permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI. Mutual Funds are permitted to participate in the derivatives market at par with Foreign Institutional Investors (FII). Accordingly, the mutual funds shall be treated at par with a registered FII in respect of position limit in index futures, index options, stock options and stock futures contracts. The Mutual Fund will be considered as trading members like registered FIIs and the schemes of Mutual Funds will be treated as clients like sub-accounts of FIIs. As a part of the fund management process, the AMC may use appropriate derivative instruments in accordance with the investment objectives of the Scheme and as per procedure prescribed under the stated circular.

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Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No: U65990MH1993PLC071003

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continued from previous page					
Particulars	Existing	Proposed	Particulars	Existing	Proposed
scheme invest? January, 200 in all or any securities in of the schem Debt Instrur coupon or co issued by lo bodies (with	D9, the corpus of the Scheme may be invested y one of (but not exclusively) the following accordance with the asset allocation pattern ne: ments - include Govt. of India securities (zero upon bearing Bonds), State Govt. Bonds, Bonds cal Govt, Govt. Agencies and other statutory or without Govt. Guarantee), Bonds of Public	Subject to the Regulations, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities: Debt Instruments - include Govt. of India securities (zero coupon or coupon bearing Bonds), State Govt. Bonds, Bonds issued by local Govt., Govt. Agencies and other statutory bodies (with or without Govt. Guarantee), Bonds of Public Sector Undertakings, Debentures issued by public, private sector undertakings, Financial Institutions with or without ratings, Usance Bills (Bills of Exchange drawn on a term governed by the usage in trade or between the companies involved) and other Domestic Instruments either listed or unlisted.		review maturity profile of the portfolio along with daily cash projection of the Portfolio. Equity – Within the equity allocation, the fund manager will seek to invest mainly in stock open offer opportunities, Initial Public Offerings, Buy Back Opportunities etc. If such opportunities are not available in the market, then the fund manager will adopt the bottom-up stock picking approach	maturity can be increased or decreased. In case of a rising interest rate environment the Macaulay Duration/average maturity of the scheme may be reduced whereas in a falling interest rate scenario the holding in medium/long securities may be maximized. The Investment Manager will actively monitor the prevailing political conditions, economic environment (including interest rates and inflation etc.), performance of the corporate sector and general liquidity as well as other considerations in the economy & markets to assess the likely direction of interest rates and to position the portfolio appropriately to take advantage of the same.
sector under	takings, Financial Institutions with or without	Money Market Instruments - include Commercial Papers, Commercial			Investment Pattern and changes:
drawn on a to the compani either listed	erm governed by the usage in trade or between ies involved) and other Domestic Instruments or unlisted.	Bills, Treasury Bills, Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Collateralized Borrowing Lending Obligation, Repos & Reverse Repos in Government Securities/Treasury Bills, Bills re-		Investment Pattern and changes: The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances:	The above investment pattern is indicative and may be changed by the Investment Manager for defensive considerations and in accordance with change in Regulations from time to time, under the following circumstances:
Commercial	Bills, Treasury Bills, Government Securities	discounting, MIBOR Instruments, alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements and any other Money market instruments specified by		 During extreme volatility/ill-liquidity in the capital market/securities market. 	• During extreme volatility/ill-liquidity in the capital market/ securities market.
Money, (Call for short ter	and Notice Money Market refers to the market m funds including overnight funds. Under call	SEBI/RBI from time to time. Foreign Securities – as permitted by RBI and SEBI		2. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.	 In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.
under notice period betwo	et, funds are transacted on overnight basis and e money market, funds are transacted for the een 2 days and 14 days) Certificate of Deposit, and any other like instruments as specified	Securitised Debt – The scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the underlying assets are		 Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch. 	 Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch. During the time the Fund receives bulk repurchase and/or bulk
by the Reser Scheme pro	ve Bank of India/SEBI, from time to time. The poses to invest in Collateralised Borrowing	receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be		 During the time the Fund receives bulk repurchase and/ or bulk investment. 	investment. A review will be made as and when such variation takes place, and,
instrument a maturity pe Repos Treas Govt. Securit	ligation (CBLO a discounted money market available in electronic book entry form for the riod ranging from one day to ninety Days), ury Bills, MIBOR Instruments, CPs, CDs and ties having an original/residual maturity upto Canara Robeco Liquid and 365 days for other	residential or commercial in nature. ABS/MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may		A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels	if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation will be constantly monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis.
debt oriente		suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized		as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on	Risk Mitigation:
Short Term I	,	debt is normally exposed to a higher level of reinvestment risk.		a regular basis.	Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in
Pending dej investment o invest them banks, subje the Board. in accordan 9/20306/03 No. 8/10731 November 2	ployment of funds of a scheme in terms of objectives of the scheme, the Mutual Fund may in short term deposits of schedule commercial ect to such Guidelines as may be specified by The investments in these deposits shall be ce with SEBI Circular Nos. SEBI/IMD/CIR No. 3, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR 1/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 003, 16 April 2007, 26 October 2007 and 23	Pass through Certificate (PTC) - (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two wheeler loans and other assets subject to applicable regulations. Derivatives - Derivative instruments like Interest Rate Future, Interest Rate Swaps, Forward Rate Agreements, or any other derivative		in order to protect the interests of investors, the AMC	portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been thoroughly analyzed by the AMC. Through adequate diversification of the portfolio, the AMC tries to reduce the risk. Diversification will also be achieved by spreading the investments over a diverse range of industries/sectors. The Scheme, generally does not intend investing in illiquid and unlisted securities. However, if the case merits, the Scheme may invest in such securities adhering to prudential norms on a case to case basis.
as amended	or updated from time to time. The Scheme(s)	instruments that are permissible or may be permissible in future under applicable regulations. REITS/INVITS - The scheme may invest in Units issued by REITS and		Debt Securities:	The investments may be made in primary as well as secondary markets and the portfolio will be adequately diversified.
in short term • "Short Te	n deposits:	InvITs as per SEBI guidelines. Any Other - Any other instruments as may be permitted by RBI/SEBI/ such other regulatory authority from time to time.		Rigorous in-depth credit evaluation of the issuers will be conducted by the investment team before making	The Scheme being open ended, some portion of the portfolio may be invested in Money Market Instruments so as to meet the normal repurchase requirements. The remaining investment will be made in securities which are either expected to be reasonably liquid or of
the Scher The Scher assets in commerci be raised	me shall not park more than 15% of the net short term deposit(s) of all the scheduled ial banks put together. However, such limit may to 20% with prior approval of the Trustees.	 Investment in other Schemes - The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which: The Scheme may invest in another scheme under the same asset management company or in any other mutual fund 		the operating environment, past track record as well as future prospects of the issuer, short as well as long term financial health of the issuer will be carried out. The AMC will be guided by the ratings of accredited agencies such	varying maturity. However, the NAV of the Scheme may be affected, if the securities invested in are rendered illiquid after investment. In addition, the Investment Manager will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The Investment Manager would use this analysis to assess the likely direction of interest rates and
sponsor s exceed 20	f funds in short term deposits of associate and cheduled commercial banks together shall not 0% of total deployment by the Mutual Fund in n deposits.	without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund.		with the investment objectives of the schemes and provisions of SERI Regulations. Since investing required	position the portfolio appropriately to take advantage of the same. The Scheme may use derivatives instruments like Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for
assets in s commerci	short term deposit(s), with any one scheduled ial bank including its subsidiaries.	The Scheme shall not make any investment in any fund of fund scheme. Short Term Deposits:		disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves	the purpose of hedging or portfolio balancing or any other purpose as allowed under the regulations, within the permissible limit of the portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.
a bank, w limits sha margins fi	me shall not park funds in short-term deposit of hich has invested in the Scheme. The aforesaid Il not be applicable to term deposits placed as for trading in cash and derivatives market.	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. The investments in these		care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the	As a prudent measure, the AMC has broad internal investment norms and investments made through the scheme would be in accordance with the investment objectives of the schemes and provisions of
RBI/SEBI/suc The securitie	Any other instruments as may be permitted by ch other regulatory authority from time to time. es mentioned above could be listed, unlisted, cod secured unsecured rated of any maturity.	deposits shall be in accordance with SEBI Circular Nos. SEBI/IMD/CIR No. 9/20306/03, SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated 12 November 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective		Investigate of viele Mith the size of controlling vieles the	Debt Securities: Concentration of risk is mitigated by defining issuer limits. Rigorous in-depth credit evaluation of the issuers will be conducted by the

privately placed, secured, unsecured, rated of any maturity. 2003, 16 April 2007, 26 October 2007 and 23 June 2008 respective The securities may be acquired through initial public and any other applicable guidelines as amended or updated from offerings (IPOs), secondary market operations, private time to time. The Scheme shall abide by the following guidelines for placement or rights offers. All investments in securities parking of funds in short term deposits: whether privately placed or otherwise will be in line with short Term" for parking of funds shall

	 Whether privately placed of otherwise with be in fine with SEBI guidelines as applicable and the investment objectives and policies of the Scheme. Subject to the Regulations, the corpus of the Scheme may be invested in all or any one of (but not exclusively) the following securities: Equity and equity related instruments including preference shares, convertible bonds and debentures and warrants carrying the right to obtain equity shares. Securities created and issued by the Central and State Governments and/or repos/reverse repos/in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) Money Market Instruments - include Commercial Papers, Commercial Bills, Treasury Bills, and Government Securities having an un-expired maturity up to one year, Call or Notice Money, Certificate of Deposit, Usance Bills and any other like instruments as specified by the Reserve Bank of India/SEBI, from time to time. Certificate of Deposit (CDs); Commercial Paper (CPs); ADR/GDR Derivative instruments like Forward Rate Agreements and such other derivative instruments as permitted by SEBI/RBI from time to time Investment in other Schemes: The investment by the Scheme in other Mutual Fund Schemes will be in accordance with Regulation 44(1) read with Clause 4 of the VII Schedule to the SEBI (Mutual Funds) Regulations, 1996 according to which : The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all the Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of NAV of the mutual fund. The Scheme shall not make any investment in any fund 	 "Short Term" for parking of funds shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Scheme. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees. Parking of funds 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. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries. The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market. The Scheme may also invest in the units/securities issued by overseas Mutual Funds or Unit Trusts which invest in the aforesaid securities and registered with overseas regulators. The Fund may also appoint overseas investment advisors and service providers, as permissible under the Regulation. 	
What are the	of fund scheme.	Investment Focus and strategy:	
What are the investment strategies?	Investment Focus and strategy: The Fund manager would take cues from domestic macroeconomic events, government policy, Central Bank Associations to decide on the allocation between Fixed Income and Equity. The allocations will be within the limits defined in the asset allocation table for each asset class. The fund manager would then create a portfolio of fixed income and equity and equity related instrument after adhering to stringent credit quality and sector limitations. Investment strategy followed for Fixed Income and Equity Investments would be as under:- Fixed Income – An emphasis will be laid on selecting the top rated securities under the accrual based portfolio construction which is highly liquid so as to create liquidity	Investment Focus and strategy: Canara Robeco Short Duration Fund is an open ended short term debt fund investing in debt & money market instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years. The scheme will follow an active interest rate management strategy. Performance will depend on the Asset Management Company's ability to assess accurately and react to general market conditions and changing financial characteristics of the security issuers. The general maturity/Macaulay Duration range for the portfolio in relation to the market based on its interest rate outlook will be arrived at after a rigorous and close monitoring of various macro variables. The shifts within this range are then determined by short term cyclical trends in the economy. Depending upon prevailing market conditions & interest rate scenario, the portfolio Macaulay Duration and average	

buy/sell decisions for the Scheme's portfolio and seeks to develop a well diversified portfolio taking into account the asset allocation patterns of various schemes along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects. The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of Equities, and Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment strategies for the Scheme, review the performance of the Scheme and the general facilitating investment debate and a robust investment culture. The investment team would hold ongoing meetings, as well as additional ad-hoc meetings as needed, to Foreign Securities: explore the investment thesis. It is the responsibility of the | The Fund may invest in overseas debt/equities/ADR's/GDR's with the the Scheme. The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.

While these measures are expected to mitigate the above

risks to a large extent, there can be no assurance that these

risks would be completely eliminated.

Procedure followed for investment decisions:

financial health of the issuer will be carried out. The AMC will be The Fund Manager of the Scheme is responsible for making guided by the ratings of accredited agencies such as CRISIL, CARE, ICRA etc. as well as the internal norms for credit exposure. Investments made by the schemes would be in accordance with the investment objectives of the schemes and provisions of SEBI Regulations. Since investing required disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities market outlook. The Fund Manager is responsible for proposed to be invested in. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

investment team before making investments. As part of credit

evaluation, a study on the operating environment, past track record

as well as future prospects of the issuer, short as well as long term

AMC to seek to ensure that the investments are made as approval of RBI/SEBI, subject to such guidelines as may be issued by per the Regulatory guidelines, the investment objective RBI/SEBI. The net assets, distributions and income of the scheme may of the Scheme and in the interest of the Unit holders of be affected adversely by fluctuations in the value of certain foreign currencies relative to the Indian Rupee to the extent of investments in these securities. Repatriation of such investment may also be affected by changes in the regulatory and political environments. The

scheme's NAV may also be affected by a fluctuation in the general and specific level of interest rates internationally, or the change in the credit profiles of the issuers.

Securitised Debt:

Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income like characteristics. The risk of investing in securitized debt is similar to investing in debt securities. In addition, securitized debt may also carry prepayment risk and has a relatively higher liquidity risk (the same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified. The investment shall be in securitized instruments that are rated (AA/A1+) or its equivalent, by a recognised credit rating agency for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund.

Policy relating to originators:

The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects the credit quality and servicing of the PTC. Originators may be: Banks, Non-Banking Finance Companies, Housing Finance Companies, etc. The fund manager's evaluation will be based on the track record of the originator, delinquencies in the pool and the seasoning of the pool. Other factors that will be considered are loan type, size of the loan, average original maturity of the pool, Loan to Value Ratio, geographical distribution, liquid facility, default rate distribution, credit enhancement facility and structure of the pool.

Page 23 continued.

Canara Robeco Mutual Fund Investment Manager : Canara Robeco Asset Management Co. Ltd.

Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012 / 13 www.canararobeco.com CIN No : U65990MH1993PLC071003

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Particulars	Existing	Proposed Risk associated with each kind of originator:		articulars enchmark	CRISIL HYB	Existing BRID 85+15 CONSERVATIVE Index	CRISIL Short Term Bon	Proposed d Fund Index
		 Prepayment risk: MBS and ABS are subject to prepayment risk. When the underlying loans are paid off by the borrower prior to 			As approve has curren	ed by the Board of Directors/Trustees htly selected the above mentioned be	the Scheme As approved by the Bo nchmark for selected the above m	ard of Directors/Trustees the Scheme has currently nentioned benchmark for respective schemes on
		their respective due dates, this is known as a prepayment. It could be triggered on account of various factors particularly in periods			Objective (of the Scheme and the composition o	f the Index. composition of the Ind	tment Pattern/Objective of the Scheme and the lex. The Investment Manager may revise the same
		of declining interest rates. The possibility of such prepayment may require the scheme to reinvest the proceeds of such investments			appropriat	te benchmark index, if any, as and wher	formulated by competent agenci	benchmark index, if any, as and when formulated ies. AMC may give its comments/perception on
		in securities offering lower yields, thereby reducing the scheme's interest income.				ent agencies. AMC may give its comments rison of returns and benchmarks, if desi		and benchmarks, if desired.
		 Interest rate risk: MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the prevailing 				of the above mentioned Schemes will re nents ("SID") and Key Information Mem		he above provisions will be suitably incorporated in Schemes.
		interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled tenure, whereas	(Mu	utual Funds) Reg	lations, 19	96, i) a written communication about t	he proposed change to each unitho	of the Schemes as per Regulation 18(15A) of SEBI Ider and a Notice cum Addendum will be issued in
		if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the	30 c	days without any	exit load. D	During the aforementioned period of 30	days, the unitholders who opt to re	Iders shall be given an option to exit for a period of deem their holding in part or in full will be allowed bt received the communication, they are advised to
		maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates.	cont	itact any of the In	vestor Rela	tion Centers/Sales Offices of Canara Ro	peco Asset Management Company L	
		 Credit risk/default risk: MBS and ABS also carry credit or default risk. MBS and structures carry built –in credit enhancement in different forms. However, any delinguencies would result in 	to of	other available/el	igible Schei	mes of Canara Robeco Mutual Fund at t	he prevailing Net Asset Value withou	ut payment of exit load ("if any") between April 12 , 3 (the last date) shall be deemed to have consented
		reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall.	thei	ir exit option.	5		, ,	edemption request to the unitholders who exercise
		Historically, housing loans have had lower default rates than other forms of credit.	Inve	estors who desire	to opt for c	online facility may visit our website: ww	w.canararobeco.com and follow the	a Robeco Mutual Fund on or before May 11, 2018 . instructions carefully. However, the online facility is of receipt of valid redemption request to those unit
		Price risk/liquidity risk: MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary	hold	ders who choose	to exercise	their exit option. Unit holders who hav	e pledged/encumbered their units v	vill not have the option to exit unless they submit a nould ensure that any changes in address or pay-out
		market could restrict or affect the ability of the scheme to re-sell them. Thus these trades may take place at a discount, depending	1		,	are updated in the Fund's records before mption/switch-out by them due to chan	5	he Scheme(s) or due to any other reason may entail
		on the prevailing interest rates. In case of securitization involving single loans or a small pool of	1			e individual nature of the implications, ction is required in case they are in agree		It his or her own tax advisor. ich shall be deemed as acceptance of these changes.
		loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans	web	bsite i.e www.car	ararobeco.	com immediately after completion of	duration of exit option. Consequent	Investor Relation Centres and also displayed on the ly, on and from the Effective Date, the changes in
		is analyzed to assess the credit risk. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the				and revised in the SID and KIM of the af Product Labeling of the aforesaid schen		
		underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying	Sr.		cheme	Existing This product is suitable for	Proposed This product is suitable for	Riskometers
		loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity/subordinate tranche (issue of PTCs				investors who are seeking*	investors who are seeking* Income/Capital appreciation over	
		of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and/or guarantees.		Canara Robeco Short Term Fu	nd	 Income/Capital appreciation over short term through a low risk 	ultra-short term through a low risk strategy	Hoderate/Moderate/Moderate/Moderate
		Minimum retention period of the debt by originator prior to securitization	1	(erstwhile Can Robeco Treasu Advantage Fui	ry	 Investment in a mix of Money 	Investment in a mix of Debt and Money Market instruments such that the Macaulay duration of the	LOW HIGH
		Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement		Auvantaye Ful	,	Market Instrument	portfolio is between 3 months and 6 months	Investors understand that their principal will be at Low risk
		and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on		Canara Robect)	short term	Income/Capital appreciation through a low duration strategy	uchen wei Moderate Moderate
		they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.	2	Savings Fund (erstwhile Can	ara	 Investing in Short Term Debt Instruments and Money Market Instruments with Weighted 	Investment in debt & money market instruments such that	The second secon
		Minimum retention percentage by originator of debts to be securitized		Robeco Saving Plus Fund)	2	Average Portfolio Duration between 3 months to Less Than	the Macaulay duration of the portfolio is between 6 months and 12 months	Low HIGH Investors understand that their principal will be at Moderately Low risk
		RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the				1 Year Income/Capital appreciation over	Income/Capital appreciation over	
		originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the		Canara Robect Duration Fund		 medium term to long term. Investment in a wide range of debt securities and Money Market 	short term Investment in debt & money	Noted and Alego
		book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization	3	(erstwhile Can Robeco Yield Advantage Fur		Instruments of various maturities and risk profile and a small	market instruments such that the Macaulay duration of the portfolio is between 1 year and 3	
		transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.			,	portion of investment in Equity and Equity Related Instruments	years	Investors understand that their principal will be at Moderately Low risk
		Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn		Canara Robect		• Income/Capital appreciation over medium to long - term	Income/Capital appreciation through a low credit risk strategy	hoterate More ate More ate
		makes investments in that particular scheme of the fund The key risk in securitized debt relates to the underlying borrowers	4	Corporate Bon (erstwhile Can Robeco Mediu	ara	Market securities with a portfolio	Investment in a portfolio constituted predominantly of	Low
		and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e.		Opportunities		weighted average maturity between 3 to 7 years	AA+ and above rated corporate bonds	Low High Investors understand that their principal will be at Moderate risk
		collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure				Income/Capital appreciation over	Income/Capital appreciation over Medium to Long term	Noderate Mox
		that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same		Canara Robeco Income Fund		 Income/capital appreciation over medium to long term Investment in Debt and Money 	Investment in debt & money market instruments such that the	Hotel Con Tille State
		at regular interval. Resources and mechanism of individual risk assessment for	5	(erstwhile Can Robeco Incom		Market securities of different maturity and issuers of different	Macaulay duration of the portfolio is between 4 years and 7 years (Portfolio Macaulay duration under	Low HIGH
		monitoring investment in securitized debt – credit analyst prepares a credit note analyzing the proposal including detailed risk assessment				risk profiles	anticipated adverse situation is 1 year to 7 years)	Investors understand that their-principal will be at Moderate ri <mark>sk '</mark>
		of the underlying. The credit note is recommended by the Head of Fixed Income and is approved by the Investment committee. The credit analyst shall be responsible for timely analyzing the risk				• Risk free return (except interest	Risk free return (except interest	Hoderate Moose
		and monitoring the performance of such investments made on an ongoing basis and shall report to the investment committee the	6	Canara Robecc (erstwhile Cana Robeco Gilt PG	ara	rate risk) and long term capital appreciation	rate risk) and long term capital appreciation	rom representation
		outstanding position, every quarter. While these measures are expected to mitigate the above risks to				 Investment only in government securities 	Investment in government securities across maturity	LOW HIGH Investors understand that their principal will be at Moderate risk
		a large extent, there can be no assurance that these risks would be completely eliminated.				Income/Capital appreciation over	Income/Capital appreciation over	
		Risk Factors Associated with Investments in REITs and InvITs: Market Risk: REITs and InvITs Investments are volatile and subject	7	Canara Robeco Debt Allocatio (erstwhile Can	n Fund	 Investment in equity and equity related securities as well as fixed 	Investment predominantly in equity and equity related	The start of the s
		to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary		Robeco Balano		related securities as well as fixed income securities (debt and money market securities)	instruments and a small portion in debt and money market instruments	Low High Investors understand that their principal will be at
		due diligence but actual market movements may be at variance with the anticipated trends.						Moderately High risk
		 Liquidity Risk: As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes, settlement periods dissolution of the trust notential delicting 	8	Canara Robeco Diversified fun (erstwhile Can	dÍ	Capital appreciation over long term	term	Hoter Con Aller Bar
		settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the		Robeco Equity Diversified)		 Investment predominantly in equity and equity related securities 	related instruments across large cap, mid cap, small cap stocks	Low HIGH Investors understand that their principal will be at
		event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.						Moderately High risk
		• Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by		Canara Robect		Capital appreciation over long	Capital appreciation over long term	Hodelagi Moderate / Moderate
		the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing	9	Emerging Equi		 Investing in diversified mid-cap stocks 	Investing predominantly in equities and equity related instruments of both large cap	LOW HIGH
		 Regulatory/Legal Risk: REITs and InvITs being new asset classes, 					and mid cap companies	Investors understand that their principal will be at Moderately High risk
		rights of unit holders such as right to information etc may differ from existing capital market asset classes under Indian Law.		Canara Robect		Capital appreciation over long	Capital appreciation over long term	Hotelingely Moderate Magging the
		Procedure followed for investment decisions: The Fund Manager of the Scheme is responsible for making buy/	10	Bluechip Equit (erstwhile Can Robeco Large	ara	 investing in companies having a 	Investing predominantly in equities and equity related	Low
		sell decisions for the Scheme's portfolio and seeks to develop a well-diversified portfolio taking into account the asset allocation		Fund)	-	large market capitalization	instruments of large cap companies	Low High Investors understand that their principal will be at Moderately High risk
		patterns of the scheme along with risks that are associated with such investments. The investment decisions are made on an ongoing basis keeping in view the market conditions and other regulatory aspects				Capital appreciation over long	Capital appreciation over long	John Moderate Moorgan
		keeping in view the market conditions and other regulatory aspects. The Fund Manager is responsible for facilitating investment debate and a robust investment culture. The investment team would hold	11	Canara Robeco Infrastructure)	 Investing in equities and equity 	term Investing in equities and equity related instruments of companies	r r r r r r r r r r r r r r r r r r r
		and a robust investment culture. The investment team would hold ongoing meetings as well as additional ad-hoc meetings as needed, to explore the investment thesis.				related instruments of companies in the infrastructure sector	following the Infrastructure Theme	LOW HIGH
		The AMC has constituted an Investment Committee, currently comprising of the CEO, COO, Head of Risk Management, Head of				Capital appreciation over long		High risk.
		Equities, Head of Fixed Income that meets at periodic intervals. The Investment Committee's role is to formulate broad investment	17	Canara Robeco Consumer Trer	ids Fund	 Capital appreciation over long term Investment in equity and equity 	term	
		strategies for the Scheme, review the performance of the Scheme and the general market outlook.		(erstwhile Can Robeco F.O.R.O	ara	related securities of companies in the Finance, Retail හ	related securities of companies following the Consumption and	Low High
		It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the	* nv	vestors should co	nsult their f	Entertainment sectors	Financial Theme	Investors understand that their principal will be at High risk.
		investment objective of the Scheme and in the interest of the Unit	1			s, all other terms and conditions of the		

The AMC will keep a record of all investment decisions in accordance with the guidelines issued by SEBI.

The AMC and Trustee will review the performance of the scheme in their Board meetings. The performance would be compared with the performance of the benchmark index and with peer group in the industry.

Ms. Suman Prasad

Fund ManagerMr. Ravi Gopalakrishnan & Ms. Suman Prasad

Except for the aforesaid changes, all other terms and conditions of the aforesaid schemes shall remain unchanged.

This Addendum forms an integral part of the Scheme Information Document/Key Information Memorandum of the aforesaid Schemes with the addenda issued there under.

For and on behalf of **Canara Robeco Asset Management Company Ltd.** (Investment manager for **Canara Robeco Mutual Fund**)

Date: 29.03.2018 Place: Mumbai

sd/-Authorised Signatory

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