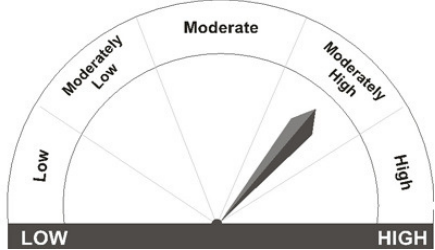


**KEY INFORMATION MEMORANDUM**

**ESCORTS HIGH YIELD EQUITY PLAN  
(AN OPEN ENDED GROWTH SCHEME)**

Continuous offer for Units at NAV based prices

This product is suitable for investors who are seeking*:	Riskometer
<ul style="list-style-type: none"> <li>• To generate capital appreciation</li> <li>• To invest predominantly in a well diversified portfolio of equity stocks providing high dividend yield</li> <li>• To capture long term capital appreciation</li> </ul>	 <p style="text-align: center;">Investors understand that their principal will be at moderately high risk.</p>

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

**Name of Mutual Fund** : **ESCORTS MUTUAL FUND**

**Name of Asset Management Company** : **ESCORTS ASSET MANAGEMENT LTD.**  
**CIN** : **U74899DL1995PLC074265**

**Name of Trustee Company** : **ESCORTS INVESTMENT TRUST LTD.**  
**CIN** : **U74899DL1995PLC074262**

**This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations, associate transactions etc. investors should, before investment, refer to the Offer Document available free of cost at any of the Investor Service Centres or distributors or from the website [www.escortsmutual.com](http://www.escortsmutual.com).**

**The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.**

This Key Information Memorandum is dated **June 23, 2017**.

**ESCORTS HIGH YIELD EQUITY PLAN**



<b>Investment Objective</b>	To generate income by investing predominantly in well diversified portfolio of equity stocks providing high dividend yield but at the same time capture long term capital appreciation as and when the opportunity arises. This long term style of investment tries to locate, in a disciplined manner, shares, which for a variety of reasons are selling at prices which are substantially lower than the company's actual business value or future earnings potential, and are also yielding a higher than normal dividend yield. These companies would be backed by stable earnings in the past while offering fair growth potential in the future.	
<b>Asset Allocation Pattern of the scheme</b>	<b>Types of Instruments</b>	<b>Normal Allocation (% of Net Assets)</b>
	Equity shares and equity related instruments	65 - 100
	Debt Instruments, Govt. Bonds, Money Market Instruments etc.	0 – 25
	Securitised Debt	0 – 10
<b>Investment Strategy of the Scheme</b>	Investments made by the scheme shall be guided by the philosophy of value oriented investing. This long term style of investing tries to locate, in a disciplined manner, shares, which for a variety of reasons, are selling at prices which are substantially lower than the company's actual business value or future earnings potential, and are also yielding a higher than normal dividend yield. These companies would be backed by stable earnings in the past while offering fair growth potential in the future.	
<b>Risk Profile of the Scheme</b>	Mutual Fund investments are subject to market risks. Please read the SID carefully for details on risk factors before investment. Scheme specific risk factors are summarized below: 1. The Scheme's investment portfolio will be concentrated in select companies across various sectors. This might lead to increased volatility in the movement of NAV.	
	2. Equity instruments by nature are volatile and prone to price fluctuations on a daily basis due to both, micro and macro factors. Trading volumes, settlement periods and transfer procedures may restrict liquidity of investments in equity and equity related securities. Different segments of the Indian financial markets have different settlement periods, and such periods may be extended significantly by unforeseen circumstances. The length of the settlement may affect the schemes in the event that the Scheme has to meet an inordinately large number of redemptions. 3. Derivatives products carry the credit risk (risk of default by counterparty), market risk (due to market movements) and liquidity risk (due to lack of liquidity in derivatives). No principal amount is exchanged. A notional principal amount is agreed upon for interest calculation purposes. Only the difference between the two rates is exchanged at agreed intervals or payment dates. When fixed interest rate amount is higher, the fixed rate payer pays the difference amount i.e. fixed interest rate amount minus the floating interest rate amount or vice-versa.	
<b>Risk Mitigation</b>	<b><u>Risk &amp; Description specific to Equities</u></b>	<b><u>Risk Mitigants / Management Strategy</u></b>
	<u>Quality risk</u> Risk of investing in unsustainable/ weak companies.	Investment universe carefully selected to only include high quality businesses.
	<u>Price risk</u> Risk of overpaying for a company.	"Fair value" based investment approach supported by comprehensive research.
	<u>Risk of fluctuations in the</u>	The Scheme may use techniques and instruments

	<u>value of the investment portfolio</u>	such as futures and options etc. to hedge the risk of fluctuations in the value of the investment portfolio. The scheme may enter into derivatives transactions in a recognised stock exchange for the purpose of hedging and portfolio balancing in accordance with the guidelines and circulars issued by SEBI from time to time.
	<u>Concentration risk</u>	In order to diversify individual company risk, the fund will on an average and under normal circumstances invest across companies across various sectors. The quantum of exposure shall be decided on the basis of relative earnings, growth, valuations and potential valuations. As the fund intends to hold less number of stocks than a diversified growth fund, the NAV volatility (risk) will be higher than normal.
	<u>Volatility</u> Price volatility due to company or portfolio specific factors	Control risk class/sector/stock exposures to control overall portfolio volatility.

	<u>Security specific risk</u>	The overall portfolio structuring would aim at controlling risk at moderate level. Security specific risk will be minimised by investing only on those companies that have been thoroughly researched in-house. Risk will also be managed through broad diversification of the portfolios within the framework of the Schemes' investment objective and policies.
	<u>Liquidity Risk</u>	Risk will be monitored in terms of the number of days it takes to liquidate every stock in the portfolio assuming a share of the average volume traded over the previous one year. Efforts would be made to keep the average liquidation period under prudent limits prescribed internally.

<b>Plans and Options</b>	<p>The investor can opt for the following:</p> <p>A. Regular Plan (For applications routed through Distributors):</p> <ol style="list-style-type: none"> <li>1. Growth (Capital Appreciation)</li> <li>2. Dividend (Regular Income)</li> </ol> <p>B. Direct Plan (For applications not routed through Distributors):</p> <ol style="list-style-type: none"> <li>1. Growth (Capital Appreciation)</li> <li>2. Dividend (Regular Income)</li> </ol> <ul style="list-style-type: none"> <li>• <b>Default Options</b> In case the investor does not select suitable alternative, defaults applicable shall be as follows: Default Plan - Direct Default Option – Growth Default Dividend Payout Option – Re-invest</li> </ul> <p>Investors are requested to note the following scenarios for the applicability of "Direct Plan (application not routed through distributor) or Regular Plan (application routed through distributor)" for valid applications received under the scheme:</p>	
--------------------------	---	--

**ESCORTS HIGH YIELD EQUITY PLAN**

	<b>Scenario</b>	<b>Broker Code mentioned by the investor</b>	<b>Plan mentioned by the investor</b>	<b>Default Plan to be captured</b>
	1	Not mentioned	Not mentioned	Direct Plan
	2	Not mentioned	Direct	Direct Plan
	3	Not mentioned	Regular	Direct Plan
	4	Mentioned	Direct	Direct Plan
	5	Direct	Not mentioned	Direct Plan
	6	Direct	Regular	Direct Plan
	7	Mentioned	Regular	Regular
	8	Mentioned	Not mentioned	Regular
<b>Applicable NAV (after the scheme opens for repurchase and sale)</b>	<b>NAV for Investment</b> a. where the application is received upto 3.00 P.M. with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the day of receipt of application. b. where the application is received after 3.00 P.M. with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the next business day. c. where the application is received with an outstation cheque or demand draft which is not payable at the place where it is received – closing NAV of the day on which the cheque or demand draft is credited. For application amount equal to or more than Rs. 2 lakh, irrespective of the time of receipt of such application, closing NAV of the day on which the funds are available for utilization shall be applicable.		<b>NAV for Redemption</b> a. where the application is received upto 3.00 P.M. – closing NAV of the day of receipt of application. b. where the application is received after 3.00 P.M. – closing NAV of the next business day.	
<b>Minimum Application Amount/ Number of Units</b>	<b>Purchase</b> Rs. 1,000/-	<b>Additional Purchase</b> Rs. 1,000/- and in multiples of Rs. 1/- thereafter.		<b>Repurchase</b> Rs. 1,000/-.
<b>Despatch of Repurchase (Redemption) Request</b>	Within 10 working days of the receipt of the redemption request at the authorised centre of Escorts Mutual Fund. However, endeavour shall be made to despatch redemption warrant within 5 working days from the date of notice for redemption.			
<b>Benchmark Index</b>	CNX 100			
<b>Dividend Policy</b>	The Trustee may decide and declare dividend at such rates, as it deems fit, subject to availability of distributable surplus (based on realised profits), from time to time.			
<b>Fund Manager</b>	<b>Name</b>		<b>Tenure for scheme management</b>	
	Ms. Pushpa Rai – Debt		Since February 2017	
	Mr. Sanjeev Sharma – Equity		Since February 2017	

## ESCORTS HIGH YIELD EQUITY PLAN

<b>Top 10 holdings of scheme Portfolio</b>	<b>Security Name</b>	<b>Weightage (%)</b>
	Bharat Electronics Ltd.	7.19
	Tata Chemicals Ltd.	6.86
	Aegis Logistics Limited	6.16
	NHPC Limited	4.80
	Engineers India Ltd	4.13
	Godrej Consumer Products Limited	3.83
	Timken India Limited	3.70
	GIC Housing Finance Ltd	3.28
	Thomas Cook (India) Limited	3.28
	Tamil Nadu Newsprint & Papers Limited	3.25
<b>Fund allocation towards various sectors</b>	<b>Sector</b>	<b>Allocation (%)</b>
	Industrial Products	17.51
	Chemical	6.86
	Power	6.42
	Consumer Non-Durables	6.29
	Construction	6.16
	Gas	6.16
	Non-ferrous Metal	5.80
	Services	3.28
	Auto Ancillaries	3.26
	Paper	3.25
<b>Website link for latest monthly scheme Portfolio</b>	<a href="http://www.escortsmutual.com/downloads.aspx?Cat=Portfolio">http://www.escortsmutual.com/downloads.aspx?Cat=Portfolio</a>	
<b>Portfolio turnover ratio</b>	Portfolio Turnover Ratio as on 31.03.2017: 24.63%	

<b>Performance of the scheme</b>	<p style="text-align: center;"><b>EHYEP V/s CNX 100</b></p> <table border="1"> <thead> <tr> <th>Period</th> <th>Escorts High Yield Equity Plan (%)</th> <th>CNX 100 (%)</th> </tr> </thead> <tbody> <tr> <td>Last 6 months</td> <td>11.32%</td> <td>7.04%</td> </tr> <tr> <td>Last 1 year</td> <td>36.57%</td> <td>20.87%</td> </tr> <tr> <td>Last 3 years</td> <td>33.19%</td> <td>12.79%</td> </tr> <tr> <td>Last 5 years</td> <td>20.93%</td> <td>12.73%</td> </tr> <tr> <td>Since Inception</td> <td>12.68%</td> <td>9.40%</td> </tr> </tbody> </table>	Period	Escorts High Yield Equity Plan (%)	CNX 100 (%)	Last 6 months	11.32%	7.04%	Last 1 year	36.57%	20.87%	Last 3 years	33.19%	12.79%	Last 5 years	20.93%	12.73%	Since Inception	12.68%	9.40%
	Period	Escorts High Yield Equity Plan (%)	CNX 100 (%)																
Last 6 months	11.32%	7.04%																	
Last 1 year	36.57%	20.87%																	
Last 3 years	33.19%	12.79%																	
Last 5 years	20.93%	12.73%																	
Since Inception	12.68%	9.40%																	
	<p>No. of folios (as on 31.03.2017) - 1005  Assets under Management (as on 31.03.2017) – Rs. 8.51 Crores</p>																		
<b>Expenses of the Scheme</b>	<b>Continuous Offer</b>																		

**ESCORTS HIGH YIELD EQUITY PLAN**

<b>(i) Load Structure</b>	<p>Entry load : Nil</p> <p>Exit load : 1% if redemption &lt; = 1 year of allotment</p> <p>Actual expenses for the previous financial year 2016-17 (unaudited): Rs. 0.068 Crores</p>	
<b>(ii) Recurring expenses</b>	<p>First Rs. 100 crores : 2.50%</p> <p>Next Rs. 300 crores : 2.25%</p> <p>Next Rs. 300 crores : 2.00%</p> <p>Balance : 1.75%</p>	
<b>Tax treatment for the Investors (Unitholders)</b>	<p>Investors are advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.</p>	
<b>Daily Net Asset Value (NAV) Publication</b>	<p>The NAV will be declared on all business days and will be published in 2 newspapers. NAV can also be viewed on <a href="http://www.escortsmutual.com">www.escortsmutual.com</a> and <a href="http://www.amfiindia.com">www.amfiindia.com</a></p>	
<b>For Investor Grievances please contact</b>	<p>Escorts Asset Management Ltd. Administrative Office :</p> <p>For Demat Units</p>	<p>Escorts Mutual Fund 404 – 1A, World Trade Centre, Babar Road, New Delhi – 110001. Ph No. – 011-43587500, 43587510 Fax – 011-43587515 <a href="mailto:help@escortsmutual.com">help@escortsmutual.com</a></p> <p>M/s Skyline Financial Services Pvt. Ltd. D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi 110 020. Tel : 011-64732681 to 64732688 Fax : 011-30857562 <a href="http://www.skylinerta.com">www.skylinerta.com</a> <a href="mailto:viren@skylinerta.com">viren@skylinerta.com</a></p>
<b>Unitholders' Information</b>	<p><b><u>Accounts Statements</u></b></p> <p>Each Unitholder will receive an Account Statement each time additional purchases or redemptions of Units are made, or distributions in respect of Units are declared and paid.</p> <p>For normal transactions (other than SIP) during ongoing sales and repurchase:</p> <ul style="list-style-type: none"> <li>• The AMC shall issue to the investor whose application (other than SIP) has been accepted, an account statement specifying the number of units allotted (state the service standard for the same)</li> <li>• For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail.</li> <li>• The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&amp;T.</li> </ul> <p>For SIP transactions:</p> <ul style="list-style-type: none"> <li>• Account Statement for SIP will be despatched once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter.</li> <li>• A soft copy of the Account Statement shall be mailed to the investors under SIP to their e-mail address on a monthly basis, if so mandated.</li> <li>• However, the first Account Statement under SIP shall be issued within 10 working days of the initial investment/transfer.</li> <li>• In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP) to the investors within 5</li> </ul>	

working days from the receipt of such request without any charges.

**Applicable to Investors who opt to hold Units in Non-Demat Form**

- The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/or mobile number.
- A consolidated account statement for each calendar month to the Unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month on or before 10<sup>th</sup> of the succeeding month shall be sent by mail or e-mail.
- In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement.
- The transactions viz. purchase, redemption, switch, dividend payout, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN).
- The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.
- The Unit holder may request for a physical account statement by writing to/calling the AMC/ISC/RTA. The Mutual Fund/ AMC shall despatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder.

**Half-Yearly Consolidated Account Statement:**

- A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/ March), on or before 10<sup>th</sup> day of succeeding month, to all such Unitholders holding units in non- demat form in whose folios no transaction has taken place during that period shall be sent by mail/email.
- The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose email address is registered with the Fund, unless a specific request is made to receive in physical.

Pursuant to SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, the following points have been incorporated to increase the transparency of information to the investors:

- (a) Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme.
- (b) Further, CAS issued for the half-year (ended September/ March) shall also provide:
  - (i) The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as service tax (wherever applicable, as per existing rates), operating expenses, etc.
  - (ii) The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable

	<p>plan (regular or direct or both) where the concerned investor has actually invested in.</p> <p>(c) Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. Any circular/clarification issued by SEBI in this regard will automatically become applicable and shall be incorporated in the SID/SAI/KIM wherever applicable.</p> <p><b>Applicable to Investors who opt to hold Units in Demat Form</b></p> <p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/or mobile number. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.</p>
--	---