

KEY INFORMATION MEMORANDUM

**Small-Cap Fund
(A Small Cap Fund)**

Continuous offer for Units at NAV based prices

This product is suitable for investors who are seeking*:	Riskometer
<ul style="list-style-type: none"> • To generate capital appreciation • To provide long-term growth opportunities by investing in a portfolio of Small Cap companies 	<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 : **quant Mutual Fund**
 Address : 6th Floor, Sea Breeze Building,
 Appasaheb Marathe Marg,
 Prabhadevi, Mumbai - 400 025.
 Tel.: +91 22 6295 5000
 Website: www.quant-mutual.com

Name of Asset Management Company : **quant Money Managers Limited**
CIN : **U74899MH1995PLC324387**
 Address : 6th Floor, Sea Breeze Building,
 Appasaheb Marathe Marg,
 Prabhadevi, Mumbai - 400 025.
 Tel.: +91 22 6295 5000
 Website: www.quant-mutual.com

Name of Trustee Company : **quant Capital Trustee Limited**
CIN : **U74899MH1995PLC324388**
 Address : 6th Floor, Sea Breeze Building,
 Appasaheb Marathe Marg,
 Prabhadevi, Mumbai - 400 025.
 Tel.: +91 22 6295 5000
 Website: www.quant-mutual.com

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.quant-mutual.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 27, 2019**.

Investment Objective	The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio of Small Cap companies. There is no assurance that the investment objective of the Scheme will be realized.		
Asset Allocation Pattern of the scheme	Asset Class Allocation	Normal Allocation (% of net assets)	Risk Profile
	Equity and equity related instruments of small cap companies#	65-100%	High
	Other equity and equity related instruments which are in the top 250 stocks by market capitalization.	0-35%	High
	Debt and money market securities*	0-35%	Low to medium
	Units issued by REITs & InvITs	0-10%	Medium to High
Investment Strategy of the Scheme	<p>#251st company onwards in terms of full market capitalization would be considered as small cap companies.</p> <p>*Debt instruments may include securitized debt upto 10% of the net assets of the Scheme.</p> <p>The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI / RBI from time to time, including schemes of mutual funds.</p> <p>Overseas Investments: Under normal circumstances the Schemes shall not have an exposure of more than 35% of its net assets in foreign assets/securities/instruments including ADRs / GDRs, subject to applicable regulatory limits.</p> <p>Trading in Derivatives: To optimally manage portfolio risk, the Scheme may use various derivative instruments and hedging products in a manner permitted by SEBI. The scheme may take exposure to derivative instruments up to 100% of net assets.</p> <p>To achieve the investment objective, the scheme will primarily invest in equity and equity linked instruments of Small Cap companies as defined by SEBI. The underlying theme driving the relative allocation will be QMML research’s ability to identify cross asset, cross market inflexion points. This quantitative approach is based on our proprietary VLRT framework, wherein we incorporate the full spectrum of data along deeper aspects related to the three axis of Valuation, Liquidity, and Risk appetite and view it in a dynamic setting – Time, thus, forming the multi-dimensional VLRT framework. The formulation of this macro narrative guides our micro level stock selection.</p> <p>QMML’s predictive analytics toolbox formulates a multidimensional research perspective to various asset classes. Research has shown that optimal entry and exit points into various asset classes can be identified through the identification of bouts of extreme greed and fear in the market. QMML differentiates itself by not only being able to identify bouts of greed and fear, but by its ability to quantify bouts of euphoria and capitulation. This helps guide us in identifying the optimal level of cash/debt allocation in the scheme.</p> <p>QMML may, from time to time, review and modify the Scheme’s investment strategy if such changes are considered to be in the best interests of the unitholders and if market conditions warrant it. Though every endeavor will be made to achieve the objective of the Scheme, the AMC / Sponsors / Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.</p>		

<p>Risk Profile of the Scheme</p>	<p>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:</p> <p>Risk factors associated with investing in equities and equity related instruments</p> <ol style="list-style-type: none"> Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risks. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. Investment in such securities may lead to increase in the scheme portfolio risk. <p>Risk factors associated with investing in debt and money market instruments</p> <p>Credit Risk: Debt instruments carry a Credit Risk, which essentially implies a failure on the part of the issuer of the security to honour its principal or interest repayment obligations. This inability of a credit issuer to honour its obligation is generally a function of underlying performance of the asset, in terms of generating the requisite cashflows. Credit risks of debt securities are rated by independent rating agencies. These ratings range from 'AAA' (read as 'Triple A' denoting 'Highest Safety') to 'D' (denoting 'Default'), with intermediate ratings between the two extremes. Deteriorating credit profile of an issuer may lead to a rating agency lowering the rating on its debt instruments; this is likely to lead to a fall in the price of these instruments.</p> <p>Liquidity Risk: Liquidity risk for debt instruments refers to the possibility that there might not be a ready buyer for the debt instrument at a time when the scheme decides to sell it. Liquidity risk is generally a function of the issuer (government securities are generally more liquid than corporate bonds), ratings (higher rated instruments are generally more liquid), and tenure (near tenure instruments are generally more liquid).</p> <p>Interest-Rate Risk: In case of fixed income bearing debt instruments, when interest rates rise, prices of the securities decline and when interest rates fall, the prices increase. The extent of sensitivity of a security to movement in interest rates is determined by its duration, which is a function of the existing coupon, the payment-frequency of such coupon, and days to maturity. Floating rate securities, with coupon linked to market interest rates have less sensitivity to interest rate risk.</p> <p>Prepayment Risk: Certain fixed income instruments come with a 'call option' which give the issuer the right to redeem the security through prepayment before the maturity date. This option is generally exercised in periods of declining interest rates, and will result in the scheme having to reinvest the proceeds of prepayment at lower yields, resulting in lower interest income.</p>	
<p>Risk Mitigation</p>	<p>Risk & Description specific to Equities</p>	<p>Risk Mitigants / Management Strategy</p>
	<p>Quality risk Risk of investing in unsustainable / weak companies.</p>	<p>Investment universe carefully selected to only include high quality businesses.</p>

	Price risk Risk of overpaying for a company.	"Fair value" based investment approach supported by comprehensive research.
	Risk of fluctuations in the value of the investment portfolio	The Scheme may use techniques and instruments 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.
	Concentration risk	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)
Risk Mitigation	Risk & Description specific to Debt	Risk Mitigants/ Management Strategy
	Credit Risk	This risk shall be mitigated by investing in papers which have a high degree of safety. Further this risk is minimal in case of securities issued by central / state government/.
	Liquidity Risk	This risk shall be mitigated by striving to avoid investing in thinly traded securities or securities with lower volumes.
	Interest-Rate Risk	This risk can be mitigated by the fund manager striving to maintain portfolio duration which is appropriate for market conditions.
	Prepayment Risk	This risk can be mitigated by minimizing investments in securities with 'call options', unless favourable market conditions makes investments in such securities attractive.
Plans and Options	<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"> 1. Growth (Capital Appreciation) 2. Dividend (Regular Income) <p>B. Direct Plan (For applications not routed through Distributors):</p> <ol style="list-style-type: none"> 1. Growth (Capital Appreciation) 2. Dividend (Regular Income) <ul style="list-style-type: none"> • Default Options 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 <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>	

	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
	1	Not mentioned	Not mentioned	Direct Plan
	2	Not mentioned	Direct	Direct Plan
	3	Not mentioned	Regular	Direct Plan
	4	Mentioned	Direct	Direct Plan
	5	Direct	Not mentioned	Direct Plan
	6	Direct	Regular	Direct Plan
	7	Mentioned	Regular	Regular
	8	Mentioned	Not mentioned	Regular
Applicable NAV (after the scheme opens for repurchase and sale)	<p>For Investment</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>		<p>For Redemption</p> <p>a. where the application is received upto 3.00 P.M. – closing NAV of the day of receipt of application.</p> <p>b. where the application is received after 3.00 P.M. – closing NAV of the next business day.</p>	
Minimum Application Amount/ Number of Units	Purchase	Additional Purchase	Repurchase	
	Rs. 100/- and in multiples of Rs. 1/- thereafter.	Rs. 100/- and in multiples of Rs. 1/- thereafter.	Rs. 100/-.	
Despatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorised centre of quant Mutual Fund.			
Benchmark Index	NIFTY SMALLCAP 250 INDEX			
Dividend Policy	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.			
Fund Manager	Name		Tenure for scheme management	
	Mr. Sanjeev Sharma – Equity		Since February 2017	
	Mr. Gaurav Balre – Debt		Since April 2018	

Top 10 holdings of scheme Portfolio as on 31.03.2019	<table border="1"> <thead> <tr> <th>Security Name</th> <th>Weightage (%)</th> </tr> </thead> <tbody> <tr><td>STYLAM INDUSTRIES</td><td>9.33</td></tr> <tr><td>PARAG MILK FOODS</td><td>9.31</td></tr> <tr><td>HDFC LIFE INSURANCE</td><td>9.07</td></tr> <tr><td>DELTA CORP</td><td>8.36</td></tr> <tr><td>EVEREADY INDUSTRIES INDIA</td><td>8.09</td></tr> <tr><td>GOKALDAS EXPORTS</td><td>3.95</td></tr> <tr><td>BLUE DART EXPRESS</td><td>3.19</td></tr> <tr><td>LAURUS LABS</td><td>3.01</td></tr> <tr><td>NCC</td><td>3.00</td></tr> <tr><td>EXCEL CROP CARE</td><td>2.81</td></tr> </tbody> </table>	Security Name	Weightage (%)	STYLAM INDUSTRIES	9.33	PARAG MILK FOODS	9.31	HDFC LIFE INSURANCE	9.07	DELTA CORP	8.36	EVEREADY INDUSTRIES INDIA	8.09	GOKALDAS EXPORTS	3.95	BLUE DART EXPRESS	3.19	LAURUS LABS	3.01	NCC	3.00	EXCEL CROP CARE	2.81
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Website link for latest monthly scheme Portfolio	http://www.quant-mutual.com/statutory-disclosures																						
Portfolio turnover ratio	Portfolio Turnover Ratio as on 31.03.2019: 29%																						
Performance of the scheme	<div style="text-align: center;"> <table border="1"> <caption>Performance Comparison (quant Small Cap Fund vs NIFTY Small Cap 250)</caption> <thead> <tr> <th>Period</th> <th>quant Small Cap Fund (%)</th> <th>NIFTY Small Cap 250 (%)</th> </tr> </thead> <tbody> <tr> <td>6 Month</td> <td>2.30%</td> <td>6.23%</td> </tr> <tr> <td>Last 1 Year</td> <td>0.94%</td> <td>-12.44%</td> </tr> <tr> <td>Last 3 Years</td> <td>4.50%</td> <td>11.58%</td> </tr> <tr> <td>Last 5 Years</td> <td>6.63%</td> <td>16.29%</td> </tr> <tr> <td>Since Inception</td> <td>7.44%</td> <td>21.09%</td> </tr> </tbody> </table> </div> <p>No. of folios (as on 31.03.2019) - 300 Assets under Management (as on 31.03.2019) – Rs. 2.26 Crores</p>	Period	quant Small Cap Fund (%)	NIFTY Small Cap 250 (%)	6 Month	2.30%	6.23%	Last 1 Year	0.94%	-12.44%	Last 3 Years	4.50%	11.58%	Last 5 Years	6.63%	16.29%	Since Inception	7.44%	21.09%				
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Expenses of the Scheme																							
(i) Load Structure	Entry load : Nil Exit load : 1% if exit <= 1 Year Actual expenses for the previous financial year 2018-19 (unaudited) : Rs. 0.03 Crores																						

(ii) Recurring expenses

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 2.25% for equity oriented schemes and upto 2.00% for debt schemes of the weekly average net assets will be charged to the scheme as expenses.

For the information of investors, the estimated break-up of expenses, on an on-going basis, as a percentage of the weekly average net assets, in any financial year shall be as follows:

Expenses	% of daily net assets (Equity)	% of daily net assets (Debt)
Investment Management and Advisory Fee	Upto 2.25%	Upto 2.00%
Custodian's Fee and charges		
Investor Service & Communication Expenses		
Trustee Fee		
Audit Fee		
Marketing and Selling Expenses (including Brokerage)		
Cost related to investor communications		
Cost of fund transfer from location to location		
Cost of providing account statements and dividend redemption cheques and warrants		
Costs of statutory Advertisements		
Cost towards investor education & awareness (at least 2 bps)		
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.		
Service tax on expenses other than investment and advisory fees		
Service tax on brokerage and transaction cost		
Other Expenses as permitted by SEBI Regulations		
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	2.25%	2.00%
Additional expenses under Regulation 52 (6A) (c)	0.20%	0.20%
Additional expenses for gross new inflows from specified cities	0.30%	0.30%

Note: The total annual recurring expenses of the Direct Plan shall be 0.05 % less than that stated above i.e. to the extent of the distribution expenses/ commission charged to the investors who are not in the Direct Plan.

	<p>Applicable to Investors who opt to hold Units in Non-Demat Form</p> <ul style="list-style-type: none"> - 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 10th 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 dispatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder. <p>Half-Yearly Consolidated Account Statement:</p> <p>A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/ March), on or before 10th day of succeeding month, to all such Unitholders holding units in non- demat form in whose folios no transaction has taken place during that period shall be sent by SMS/Email.</p> <p>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.</p> <p>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: Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme. Further, CAS issued for the half-year (ended September/ March) shall also provide:</p> <ul style="list-style-type: none"> • 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. • The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.
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	<ul style="list-style-type: none">• 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>Applicable to Investors who opt to hold Units in Demat Form</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>
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