JIO BLACKROCK ASSET MANAGEMENT PRIVATE LIMITED

INVESTMENT VALUATION POLICY

Policy Version Matrix		
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Reviewed by		Valuation Committee
Approved By	:	This version is approved by the Board of Directors of Jio BlackRock Asset Management Private Limited and Jio BlackRock Trustee Private Limited in its Board meeting dated April 23, 2026 and April 28, 2026 respectively.
Propriety	:	This document is the sole property of Jio BlackRock Asset Management Private Limited. Any use or duplication of this document without express permission of Jio BlackRock Asset Management Private Limited is strictly forbidden and illegal.
Periodic Review	:	The policy shall be reviewed at least once in a year or as and when it is necessary pursuant to any changes, including those in law and regulations.
Reference	:	SEBI (Mutual Funds) Regulations, 2026 mandates under Regulation 22(9) read with Regulation 63 (9) and SEBI Master Circular for Mutual Funds dated March 20, 2026 / other related provisions / guidelines issued from time to time in this regard, to have Investment Valuation Policy.

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A. **Background**

Regulation 22(9) read with Regulation 63 (9) mandates that the asset management company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Seventh Schedule and shall publish the same.

Seventh Schedule states that the mutual fund shall value their investments in accordance with principles of fair valuation so as to ensure fair treatment to all investors i.e. existing investors as well as investors seeking to subscribe or redeem units.

It further prescribes that the valuation shall be reflective of the realizable value of securities and shall be done in good faith and in a true and fair manner through appropriate valuation policies and procedures approved by the Board of the asset management company.

In case of any conflict between the principles of fair valuation and valuation guidelines as per Eighth Schedule and circulars issued by SEBI, the Principles of Fair Valuation shall prevail.

All provisions applicable to Mutual Funds shall also apply to Specialized Investment Fund ('SIF') of the AMC i.e. Prism SIF, its strategies, unless specified otherwise. Further, please read units of Schemes of Jio BlackRock Mutual Fund interchangeably with strategies of Prism SIF.

B. **Policy Coverage**

This policy shall cover the following:

(i) Valuation methodologies for particular types of securities
(ii) Inter-scheme transfers
(iii) Composition and role of the Valuation Committee
(iv) Periodic review
(v) Conflict of Interest
(vi) Exceptional events
(vii) Deviation
(viii) Disclosure
(ix) Record keeping

(i) **Valuation methodologies:**

1. The methodologies for valuing each type of security held by the schemes are given in Annexure A.
2. Investment in any new type of security shall be made only after establishment of the valuation methodology for such security with the approval of the Board of Jio BlackRock Asset Management Private Ltd. ('**the AMC**') and Jio BlackRock Trustee Private Ltd. ('**the Trustee**').

(ii) **Inter-scheme transfers:**

1. Inter-scheme transfers shall be effected as per regulations and internal policy and at prevailing market price (essentially fair valuation price).
2. The methodology to determine the fair valuation of securities which are intended to be transferred from one scheme to another are given in Annexure A.

(iii) Valuation Committee:

1. Valuation committee shall comprise of the following personnel:
   a. Chief Executive Officer (CEO)
   b. Chief Operating Officer (COO)
   c. Chief Investment Officer (CIO)
   d. Chief Risk Officer (CRO)
   e. Chief Compliance Officer (CCO)

   The Chief Executive Officer and the Chief Operating Officer jointly can reconstitute or nominate additional members for the valuation committee.

2. Following shall be the scope of the Valuation committee:
   a. Recommendation and drafting of valuation policy for the AMC and Trustee Board approval.
   b. Review the accuracy and appropriateness of methods used in arriving at the fair value of securities and recommend changes, if any.
   c. Recommend valuation methodology during exceptional events.
   d. Recommend valuation methodology for a new type of security pending receipt of valuation from valuation agencies.
   e. Lay down procedures to detect and prevent incorrect valuation.
   f. Report to the Board regarding any deviations or incorrect valuations which impact on the NAV in excess of 1%, the current regulatory threshold.
   g. Recommend deviation from stated Valuation Policy in specific cases, with reasons, to give effect to the principle of fair valuation.
   h. Implement changes in Valuation norms arising out of changes as communicated by SEBI/AMFI to give effect to the principle of fair valuation.

3. Frequency of meeting:
   Meetings of the committee take place on a need basis to discuss valuation methodology during exceptional events.

4. Quorum:
   The quorum of the Valuation Committee shall consist of a minimum of three members of the Committee of which at least one among the CIO and CEO shall always be present to complete the quorum.

   In the absence of CEO, CCO and CRO shall be present to complete the quorum and in absence of CIO, respective nominated Fund Manager(s) (Equity or Fixed Income etc.) shall be present to complete the quorum.

   The CEO shall serve as the Chairperson of the Valuation Committee and in his absence the CIO shall chair the committee, in absence of both the quorum shall not be complete.

(iv) Periodic Review:

The Valuation Committee shall be responsible for ongoing review of the valuation methodologies in terms of its appropriateness and accuracy in determining the fair value of each and every security and keep the Board of AMC and the Board of Trustee updated in this regard.

In addition, the Valuation Committee shall have the valuation policy reviewed by the independent auditor at least once every year, to ensure continued appropriateness of the policy.

(v) **Conflict of Interest:**
The implementation of valuation policy and methodologies adopted / authorised by the Board of AMC and Trustees shall be subject to review by the Valuation Committee. The Valuation Committee shall be responsible for identifying and addressing any conflict of interest and recommend changes/amendments to the policy or processes followed. Any such proposed changes shall be placed before the Board of AMC and Trustees for ratification.

(vi) **Exceptional Events:**

1. The Valuation Committee is authorized by the Board of AMC and Trustees to determine the exceptional events and devise the process to deal with the exceptional events.

   Following is the illustrative list of events which could be classified as Exceptional events where current market information may not be available / sufficient for valuation of securities:
   a. Major policy announcements by the Central Bank, the Government or the Regulator;
   b. Natural disasters or public disturbances, which force the markets to close unexpectedly;
   c. Absence of trading in a specific security not covered in this valuation policy or similar securities;
   d. Significant volatility in the capital and debt markets;
   e. A credit default event by the issuer of any fixed income security will be considered as an exceptional event and the value of the security will be appropriately discounted by the Valuation Committee;
   f. In case the Fund Manager(s) are of the opinion that the price provided by valuation agencies does not reflect the fair value of a security, the same shall be valued on the basis of guidelines provided by the Valuation Committee.

2. Escalation Procedure:
   a. Valuation Committee shall be responsible for monitoring Exceptional events and recommending appropriate valuation methods under the circumstances, with due reporting to the Board of AMC and Trustees.
   b. Under such circumstances, the Valuation Committee will be vested with powers by the Board of AMC and Trustees in deciding the appropriate methodology for valuation of such securities.

(vii) **Securities not Covered Under the Current Valuation Policy:**
In case of securities purchased by mutual fund does not fall within the current framework of the valuation of securities then the mutual fund shall report immediately to AMFI regarding the same. Further, at the time of investment AMCs shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme.

AMFI has been advised that the valuation agencies should ensure that the valuation of such securities gets covered in the valuation framework within six weeks from the date of receipt of such intimation from mutual fund.

In the interim period, till AMFI makes provisions to cover such securities in the valuation of securities framework, the mutual funds shall value such securities using their proprietary model which has been approved by their independent trustees and the statutory auditors.

(viii) Disclosure:

Valuation Policy shall be updated in the Statement of Additional Information, on the website and any other place as may be prescribed by the SEBI regulations and guidelines.

(ix) Record keeping:

All the documents which form the basis of valuation including inter-scheme transfers (the approval notes and supporting documents) will be maintained in electronic form or physical papers.

Above records will be preserved in accordance with the norms prescribed by the SEBI (Mutual Funds) Regulations, 2026 and subsequent amendments thereto.

Annexure A

A. Equity and Equity related securities

Asset Class	Traded /non-traded	Valuation policy
Equity Shares, Preference Shares, Equity Warrants, Rights, Convertible debentures	Traded	On the valuation day, at the last quoted closing price on the National Stock Exchange (NSE)/Bombay Stock Exchange (BSE) or other stock exchange, where such security is listed. If not traded on the primary stock exchange, the closing price on the other stock exchange will be considered. NSE will be the primary stock exchange. For index-based schemes/ETF, the principal stock exchange would be the exchange where the underlying benchmark index has been set up. When a security is not traded on any stock exchange, on the date of valuation, then the previous closing price on NSE / BSE / any other Stock Exchange will be used provided such closing price is not exceeding a period of 30 calendar days prior to the valuation date.
	Non - Traded	Definition of a Non-traded security: When a security is not traded on any Stock Exchange for a period of 30 calendar days prior to the valuation date, it is treated as a 'non-traded' security and will be valued as follows: a. **Equity Shares:** Valuation price will be in accordance with the norms prescribed in the SEBI guidelines for valuation, i.e., valuation will be computed on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount as approved by valuation committee for lower liquidity) and using the last traded price if available. b. **Preference Shares:** Convertible Preference Shares shall be valued based on underlying equity, discounted for illiquidity if required as decided by the Valuation Committee. Non - convertible preference shares are more akin to debt and to be valued as debt securities at an applicable market yield for the similar duration and rating as approved by the Valuation Committee. In case valuation prices of Non-traded preference shares are available from valuation agency(ies) appointed by AMFI, then such Non - traded preference shares shall be valued at average of prices provided by AMFI appointed agency(ies). c. **Partly Paid-up Equity Shares:** The shares shall be valued at traded value of the underlying fully paid-up equity shares as reduced by the amount of balance call money payable on partly paid-up equity shares. A suitable illiquidity discount, if deemed necessary, shall be applied with approval from the Valuation Committee. In the event the fully paid shares are also non-traded then the valuation of the fully paid shares arrived as aforesaid shall be reduced by the amount of balance call money payable on partly paid-up equity shares. d. Rights Shares: Valuation price will be arrived at after reducing the exercise price/issuance price from the closing

Asset Class	Traded /non-traded	Valuation policy
		price of the underlying equity shares in case a decision is made to apply for the rights. The computation of the valuation price will commence from the Ex-rights date and continue till the date of subscription to the rights shares. During this period, on days if traded prices are available for rights shares, they shall be valued as per the traded prices. If traded prices are not available on any particular day, the rights will be valued at the last available traded price. In case a decision is made not to apply for the rights the said rights entitlement will not be valued. In case the Rights Offer Price is greater than the ex-rights price, the value of the rights share is to be taken as zero. e. **Equity Warrants/partly paid-up rights shares:** Valuation price will be arrived, after applying appropriate discount (valuation committee is delegated with the power to decide the discount factor based on company fundamentals), after reducing the exercise price / issuance price from the closing price of the underlying equity security. If the amount payable on exercise of the warrants/shares is higher than the value of the warrants/shares, the value of the warrants/shares should be taken as zero.
		f. Convertible debentures: Non-convertible and convertible components are valued separately. A. The non-convertible component shall be valued on the same basis as would be applicable to a debt instrument. B. The convertible component to be valued as follows: i) Ascertain ● The number of shares to be received after conversion. ● Whether the shares would be pari passu for dividend on conversion. ● The rate of last declared dividend. ● Whether the shares are presently traded or non-traded/thinly traded. ● Market rate of shares on the date of valuation ii) In case the shares to be received on the date of valuation, are thinly traded / non-traded, these shares to be received on conversion are to be valued as thinly traded / non-traded shares as stated in this policy. iii) In case the shares to be received on conversion are not non-traded or thinly traded on the date of valuation and would be traded pari passu for dividend on conversion: a) Number of shares to be received on conversion, per convertible debenture, multiplied by the present market rate b) Determine the discount for non-tradability of the shares on the date of valuation. (This discount should be determined in advance and to be used uniformly for all the convertible securities. Rate of discount should be documented and approved by the Valuation Committee of AMC) Value = (a)*market rate [1-(b)] iv) In case the shares to be received on conversion are not non-traded or thinly traded on the date of valuation but would not be traded pari passu for dividend on conversion: a) Number of shares to be received on conversion, per convertible debenture, multiplied by the present market rate b) Arrive at the market value of the shares on the date of valuation by reducing the amount of last paid dividend.

Asset Class	Traded /non-traded	Valuation policy
		c) Determine the discount for non-tradability of the shares on the date of valuation. (This discount should be determined in advance and to be used uniformly for all the convertible securities. Rate of discount should be documented and approved by the Valuation Committee of AMC) Value = (a)*{b- [1- (c)]} v) In case of optionally convertible debentures, two values must be determined assuming both, exercising the option and not exercising the option. ● If the option rests with the issuer, the lower of the two values shall be taken as the valuation of the optionally convertible portion, and; ● If the option rests with the investor, the higher of the two values shall be taken. In the case of listed and non-traded CCDs, the fair valuation methodology shall be followed as recommended by the AMFI Valuation Committee. The CCDs shall be valued at average of prices obtained from valuation agencies.
		g. Demerger: i. Where there is one resulting Company along with the demerged company and such resulting company is unlisted, the resulting company will be valued by residual price methodology which would be traded value of the demerged company on the day before the demerger (Ex-date minus 1), less value of the demerged company immediately post demerger (Ex-date). However, if the value of the demerged company is greater or equal to the value of the demerged company before the demerger, then the resulting company would be valued at zero. ii.Where there are more than one resulting companies along with the demerged company and all or some resulting companies are unlisted, the resulting companies will be valued by residual price methodology which would be, traded value of the demerged company on the day before the demerger less value of the demerged company immediately post demerger. The residual value would be allocated into resulting companies in the ratio provided as a part of scheme of arrangement or such other ratio as decided by the Valuation Committee. If one of the resulting companies is listed, the residual value for unlisted companies would be further determined by reducing the traded value of listed resulting companies from the residual value computed as above.
		iii. In case where the resulting company/ies and the demerged company are unlisted, the traded value of demerged company on the day before the demerger would be allocated between the resulting company/ies and demerged company in the ratio provided as a part of scheme of arrangement or such other ratio as decided by the Valuation Committee. If the above companies remain unlisted for more than 3 months, the Valuation Committee has to decide on application of illiquidity discount as deemed appropriate on a case-to-case basis. However, if the Valuation committee is of the opinion that a fair valuation has not been achieved in certain cases by applying the above guidelines, it reserves the right to decide on an alternate method of fair valuation, post considering facts on a case-to-case basis. Further, guidance from the valuation committee would be sought for any exceptional cases not covered above.

Asset Class	Traded /non-traded	Valuation policy
		The price discovered by the exchanges (NSE/BSE) in the special trading session shall be referred to as arriving at the difference in the price as compared to the traded closing price on the day before the demerger. The price so derived shall be considered for valuation of the unlisted shares of the demerged company till one day prior to the day of listing. **h. Merger:** Valuation of resulting company would be determined by valuation of merging / amalgamating company immediately prior to the ex-date of merger / amalgamation **i.** In case merging / amalgamating companies are listed, valuation of resulting companies would be summation of valuation of entities immediately prior to merger date. Further if listed company merges into an unlisted surviving company, then the surviving company should be valued at the traded value of the merging company immediately before merger. Example: • If Company A and Company B merge to form a new Company C, then Company C would be valued at the price equals to A+B • If Company A which is a listed company merges into Company B which is an unlisted company the resultant would be valued at traded price of A immediately before merger **ii.** In case, the merging / amalgamating companies being unlisted, valuation of resulting companies would be valued on the principles of fair valuation as guided by the valuation committee. If the above companies remain unlisted for more than 3 months, the Valuation Committee has to decide on application of illiquidity discount as deemed appropriate on a case-to-case basis. However, if the Valuation committee is of the opinion that a fair valuation has not been achieved in certain cases by applying the above guidelines, it reserves the right to decide on an alternate method of fair valuation, post considering facts on a case-to-case basis. Further, guidance from the valuation committee would be sought for any exceptional cases not covered above.
	Thinly Traded	In line with the valuation formula prescribed under SEBI regulations for valuation, Valuation will be computed on the basis of average of book value and the price computed on the basis of the PE ratio (discounted by 75% i.e., 25% of industry average PE), further discounted for illiquidity. PE ratio to be applied to the earnings per share as per the latest audited annual accounts. Definition of thinly traded equity/ equity related security: When trading in an equity/equity related security in a month is both less than INR 5 lacs and the total volume (i.e. trades on all recognized stock exchanges in India) is less than 50,000 shares, it shall be considered as a thinly traded security. Further, any security which is currently classified as "thinly traded" security, and is being valued at fair valuation prices, will be classified as a "traded security" if it meets any one of the two following criteria and will be valued at "traded prices:-"

Asset Class	Traded /non-traded	Valuation policy
		1. At least a total of 50,000 shares are traded in a month or:- 2. Trading volume of Rs.5 lacs is achieved in a month -."
	Unlisted	SEBI Master Circular has prescribed the method of valuation for unlisted equity securities. These guidelines are similar to the guidelines issued by SEBI for non-traded / thinly traded securities mentioned above except the following: Computation of Net worth per share *as lower of (a) and (b)*: (a) i) Net worth of the company = Paid up share capital + Reserves other than Revaluation reserve - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses. ii) Net worth per share = (Net worth of the company / Number of paid-up shares). (b) i) Net worth of the company = Paid up capital + Consideration on exercise of Option/Warrants received/receivable by the company + free reserves other than Revaluation reserve – Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses. Net worth per share = (Net worth of the company/{Number of paid-up shares + number of shares that would be obtained on conversion/exercise of outstanding warrants and options}). If the net worth of the company is negative, the share should be marked down to Zero. Computation of fair value per share to be considered for valuation at 15 % discount for illiquidity. [(Net worth per share + capitalized value of EPS) / 2] * 0.85 The above methodology for valuation shall be subject to the following conditions: - All calculations as aforesaid shall be based on audited accounts. - In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earnings. - In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation. In case the latest balance sheet i.e. balance sheet prepared within nine months from the close of the accounting year of the company, is not available (unless the accounting year is changed) the shares should be valued as zero. At the discretion of the AMC and with the approval of the Valuation Committee, unlisted equity scrip may be valued at a price lower than the value derived using the aforesaid methodology.

	Suspended security	In case trading in an equity security is suspended for trading on the stock exchange for up to 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for trading on the stock exchange for more than 30 days, then it would be considered as non-traded and valued accordingly
	Application money for Primary Market Issue (including pre-public offering)	i) Application money will be valued at cost up to 60 days from the closure of the issue. If the security is not allotted within 60 days from the closure of the issue, application money will be valued as per the directives of the valuation committee. Rationale of valuing such application money will be recorded. ii) Equity securities allotted and proposed to be listed, but not listed, are to be valued at cost till two months from the date of allotment and after two months, are to be valued as unlisted securities. Method of valuing unlisted equity is stated above. iii) Security under lock-in period (post listing): Security (excluding Anchor investment) shall be valued based on the last quoted closing price after applying a suitable discount for illiquidity. The valuation committee shall decide on the illiquid discount to be applied, on a case-to-case basis.
	Shares tendered for buy-back	If a company offers to buy back entire portion of the shares tendered by a Mutual Fund Scheme, then such shares will be valued at the price of buy back, else, market price of the security will be considered for valuation till the date of receipt of formal confirmation of acceptance of shares tendered under the buyback scheme.
	Lock-in Shares	In case of Equity shares under lock in for more than 3 months from date of purchase/allotment, which are traded on the stock exchanges, appropriate discount will be applied to the closing price quoted on the stock exchange as may be decided by the Valuation Committee on a case-to-case basis.
	Inter-Scheme Transfers	Inter-Scheme transfers would be done at the price of the security prevailing spot market price on the primary stock exchange (National Stock Exchange) at the time of effecting the transfer. If not traded on the primary stock exchange, the price at the Bombay Stock Exchange will be considered.
	Qualified Institutional Placement (QIP)/Follow on Public Offer (FPO)/ Initial Public Offer (IPO)	In case of QIP and FPO, recognition and valuation would start from the date of allotment. In case of IPO, the security would be valued at cost from the date of allotment till a day prior to listing and on the closing price (as per Traded criteria) from the day of listing.
Futures & Options	Traded & Non-Traded	On the valuation day, Options premium received/paid is marked to market based on the settlement prices provided by the respective stock exchanges. Futures contracts are valued at the settlement price provided by the respective stock

		exchanges. When a security is not traded on the respective stock exchange on the date of valuation, then at the settlement price provided by the respective stock exchange. If the settlement price is not available, then the closing price for the security will be considered for the valuation.
Foreign Securities		● Foreign Securities shall be valued based on the last quoted closing price (i.e. same day's closing price as per the NAV date) on the Overseas Stock Exchange on which respective securities are listed. However, the AMC shall select the appropriate stock exchange at the time of launch of a scheme in case a security is listed on more than one stock exchange and the reason for the selection will be recorded in writing. Any subsequent change in the reference stock exchange used for valuation will be necessarily backed by reason for such change being recorded in writing by the AMC and approved by the Valuation Committee. However, in case of extreme volatility in other markets post the closure of the relevant markets, the AMC shall value the security at suitable fair value determined by the Valuation Committee. ● If a security such as ADR/GDR, etc. are traded in OTC (over the counter) market, in such cases closing price (source: Reuters/Bloomberg) in OTC market will be considered for valuation. ● When on a particular Valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange or last quoted closing price on selected stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. ● On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the RBI/FBIL reference rate as at the close of banking hours on the relevant business day in India. For Currencies where RBI/FBIL reference rate is not available, Bloomberg/Reuters/any other designated agency shall be used. If required, the AMC may change the source of determining the exchange rate. ● Non -traded ADR /GDRs shall be valued after considering prices/ issue terms of underlying security. The Valuation Committee shall decide the appropriate discount for illiquidity. Non-traded foreign security shall be valued by AMC at fair value after considering relevant factors on a case-to-case basis. ● Corporate Action (Foreign Security): In case of any corporate action event, the same shall be valued at fair price on case-to-case basis as may be determined by the Valuation Committee in consultation with Independent advisors (if required). ● Units of Overseas Mutual Fund will be valued at the last available Net Asset Value of the underlying fund. On the valuation day, for conversion of foreign exchange currency into INR, RBI reference rate as at the close of banking hours on that day in India/Bloomberg/Reuters/any other designated agency. If required, the AMC may determine the reference rate from an alternative source.

B. Money Market, Debt Securities and Government Securities

- Coupon bearing securities such as Non-convertible Debentures (NCD), Bonds, Central Government Securities (G-Sec), State Development Loans (SDL) etc.
- Discounted securities like Zero Coupon Bonds (ZCB), Commercial Papers (CP), Certificate of Deposits (CD), Bills Purchased under Rediscounting Scheme (BRDS), Discounted Securitised Debt / Pass Through Certificate (PTC), Treasury Bills, Cash Management Bills etc.

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Money Market, Debt Securities & Government Securities (including Floating Rate Securities, Tri-Party Repo (TREPS), Reverse Repo & Corporate Bond Repo)	Securities shall be valued at average of security level prices obtained from valuation agencies appointed by AMFI. In case security level prices given by valuation agencies are not available for a new security which is currently not held by any Mutual Fund, then such security will be valued at purchase yield on the date of allotment/purchase. In case of any deviation from the valuation price for the money market and debt securities provided by valuation agencies, AMC shall follow the procedure mentioned in SEBI Master Circular.. **AT-1 & Tier 2 Bonds:** The valuation agencies shall factor the following guidelines as provided by SEBI while deriving the valuation price. **AT-1 Bonds:** SEBI Master Circular has specified that the valuation methodology of AT-1 Bonds shall be based on Yield to Call basis (adjusted with appropriate risk spreads), in line with the principles of market-based measurement under Ind AS 113. **Tier 2 Bonds:** SEBI vide Master Circular has specified the glide path for the purpose of valuation of bonds issued under Basel III framework. Further, AMFI, vide its letter No. 135/BP/91/2020-21, has issued the detailed guidelines under the directive of SEBI for being uniformly followed and implemented by all Mutual Funds.
Securities with put and call option	The option embedded securities would be valued as follows: **A. Securities with call option:** The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument. **B. Securities with Put option:** The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing

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	the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instrument. **C. Securities with both Put and Call option on the same day:** Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis: i. Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price. ii. Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price. iii. In case no Put Trigger Date or Call Trigger Date ('Trigger Date") is available, then valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date. If the put option is not exercised by a Mutual Fund, while exercising the put option would have been in favour of the scheme; i. A justification for not exercising the put option shall be provided by the Mutual Fund to the Valuation Agencies, Board of AMC and Trustees on or before the last date of the notice period. ii. The Valuation Agencies shall not take into account the remaining put options for the purpose of valuation of the security. The put option shall be considered as 'in favour of the scheme' if the yield of the valuation price ignoring the put option under evaluation is more than the contractual yield/coupon rate by 30 basis points.
Short-Term Deposits	Deposits (pending deployment) with banks shall be valued at cost plus accrual basis. In case of any prepayment penalty, accrual rate would be the rate applicable for that period less any prepayment penalty.
Inter Scheme Transfers Debt /Money Market Securities	AMCs shall seek prices for IST of any money market or debt security (irrespective of maturity), from the valuation agencies. AMFI, in consultation with valuation agencies shall decide a turn-around-time (TAT), within which IST prices shall be provided by the agencies. If prices from the valuation agencies are received within the pre-agreed TAT, an average of the prices so received shall be used for IST pricing. If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing. If prices are not received from any of the valuation agencies within the agreed TAT, AMCs may determine the price for the IST, in accordance with paragraph 13.19.1 of SEBI Master Circular.

Category	Valuation Policy
Deviation from Valuation Guidelines	Deviation in the valuation policy and procedures as stated above shall be allowed only with the prior approval of the Valuation Committee. In such cases, the detailed rationale for each instance of deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be recorded and reported to the Board of AMC and Trustees. The rationale for the deviation along with details will be disclosed under a separate head on the website of the AMC. Further, while disclosing the total number of instances of deviation in the monthly portfolio statements, AMC shall also provide the exact link on the website for accessing the information.

Category	Valuation Policy
Valuation of money market and debt securities which are rated below investment grade	1. A money market or debt security is classified as "below investment grade" if the long term rating of the security issued by a SEBI registered Credit Rating Agency is below BBB- or if the short term rating of the security is below A3. 2. A money market or debt security shall be classified as "Default" if the interest and/or principal amount has not been received, on the day such amount was due or when such security has been downgraded to "Default" grade by a Credit Rating Agency. 3. Mutual Funds shall promptly inform the valuation agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security. 4. All money market and debt securities which are rated below investment grade or Default shall be valued at the price provided by valuation agencies. 5. Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade or Default, such securities shall be valued on the basis of indicative haircuts provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. Further, these haircuts shall be updated and refined, as and when there is availability of material information which impacts the haircuts. The indicative haircut rate that is applied to the principal will be applied to the accrued interest also. 6. In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, traded price will be considered if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies. 7. In case of trades after the valuation price is computed by the valuation agencies as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price will be revised accordingly. 8. In case of any deviation from the valuation price for money market and debt securities rated below investment grade provided by the valuation agencies, the procedure as mentioned in SEBI Master Circular shall be followed. 9. In case of securities classified as below investment grade but not default, interest accrual will continue with the same haircut applied to the principal. In case of securities classified as default, no further interest shall be made. Any recovery will first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV. Any recovery in excess of the carried value in the NAV will be applied first towards the amount of interest written off and then towards the amount of principal written off. **Standard haircut for sub-investment grade debt securities** provided by valuation agencies and finalized by the AMFI Valuation Committee are as follows:

Category	Valuation Policy

1. Haircuts for senior, secured securities

Rating/ Sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewellery and Others
BB	15%	20%	25%
B	25%	40%	50%
C	35%	55%	70%
D	50%	75%	100%

2. Haircuts on subordinated and unsecured (or both) securities

Rating/ Sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewellery and Others
BB	25%	25%	25%
B	50%	50%	50%
C	70%	70%	70%
D	100%	100%	100%

Changes in terms of investment:

While making any change to terms of an investment, Mutual Funds shall adhere to the following conditions:

1. Any changes to the terms of investment, including extension in the maturity of a money market or debt security, shall be reported to valuation agencies and SEBI registered Credit Rating Agencies (CRAs) immediately, along-with reasons for such changes.
2. Any extension in the maturity of a money market or debt security shall result in the security being treated as “Default”, for the purpose of valuation.
3. If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as “Default” for the purpose of valuation.
4. Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

Category	Valuation Policy
Upfront Fees	1. Upfront Fees on all trades (including primary market trades), by whatever name called, will be considered by the valuation agencies for the purpose of valuation of securities. 2. Details of such upfront fees will be shared with the valuation agencies on the trade date to enable them to arrive at the fair valuation for that date. 3. Upfront fees will be reduced from the cost of investment and will be shared on pro-rata basis if the investment in a particular security is made from multiple schemes.

D. <u>Infrastructure Investment Trust (InvITs) and Real Estate Investment (ReITs):</u>

Asset Class	Traded/Non-traded/Listed/ Unlisted	Valuation Methodology
Units of InvITs / ReITs	Traded	The value of units of InvITs and ReITs will be based on the last quoted closing price on the principal stock exchange where such security is listed. The AMC has selected National Stock Exchange (NSE) as principal stock exchange. If no trade is reported on the principal stock exchange on a particular valuation date, units of InvITs and ReITs shall be valued at the last quoted closing price on other recognised stock exchange.
	Non-Traded	● When units of InvITs and ReITs are not traded on any stock exchange on a particular valuation day, the value at which these were traded on the selected stock exchange or any other stock exchange, as the case may be, on any day immediately prior to valuation day, shall be considered for valuation provided that such date is not more than thirty days prior to the valuation date. ● Where units of InvITs and ReITs are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvITs and ReITs will be determined by the Valuation Committee in consultation with the independent valuation agencies as deemed appropriate by the Valuation Committee from time to time.

E. Domestic / Overseas Mutual Fund Units and Alternative Investment Fund (AIF) Units (including units of ETFs):

Asset Class	Traded/Non-traded/Listed/ Unlisted	Valuation Methodology
Domestic Mutual Fund Units and Alternative Investment Fund (AIF) Units	Listed & Traded	Units shall be valued at the closing traded price available on the stock exchanges (NSE or BSE) as on the valuation date.
	Unlisted and Listed but not traded	Units shall be valued at the last declared NAV on AMFI website or CDMDF Fund's website in case of AIF units as on the valuation date.
Overseas Mutual Funds Units*	Listed & Traded	Units shall be valued at the closing traded price available on the stock exchanges (on which the respective Overseas ETF is listed) as on the valuation date. In case an Overseas ETF is listed on more than one stock exchange across country, then AMC shall select the principal stock exchange (i.e. appropriate stock exchange) for valuation and record the same in writing. Any subsequent change in the stock exchange used for valuation shall be backed by reasons for such change, recorded in writing and placed at the meeting of the Valuation Committee.
	Unlisted and Listed but not traded	Units shall be valued at their last available NAV as on the valuation date.

*Converting the price in Indian Rupees (INR):
On the valuation day, all the assets and liabilities denominated in foreign currency will be valued in Indian Rupees. The valuation price of the security will be converted to INR based on RBI/FBIL/any other designated agency, reference rate at the close of banking hours in India. If required, the AMC may change the source of determining the exchange rate.

F. Valuation of other Securities:

Asset Class	Valuation Methodology
Interest Rate Future (IRF)	It would be valued at the daily settlement price of the exchange. If the settlement price is not available, then the closing price for the security will be considered for the valuation.
Market Linked Debentures & all OTC Derivatives including Interest Rate Swaps (IRS) / Forward Rate Agreements (FRA)	Irrespective of the residual maturity, securities shall be valued at average of security level prices obtained from valuation agencies.
Securities Lending and Borrowing (SLB)	The valuation of securities lent under the Securities Lending Scheme shall be valued as per the valuation guideline of the respective security as mentioned in this document. The lending fees received for the securities lent out would be accrued in a proportionate manner till maturity of the contract.
Indian Depositories Receipts (IDR)	Valuation of IDRs listed on the India Stock Exchange would follow the valuation guidelines adopted for the Listed Indian Equity Shares. In case the IDRs are classified as thinly traded / non-traded, the criteria, as laid above for Listed Indian Equity Shares shall be applied taking into consideration the relevant Company's Balance Sheet.
Illiquid Security	Aggregate value of "illiquid securities" of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned Zero value. Mutual Funds shall disclose the scheme wise total illiquid securities in value and percentage of the net assets while disclosing Monthly Portfolios to the unit holders. In the list of investments, an asterisk mark shall be given against all such investments which are recognised as illiquid securities. Mutual Funds shall not be allowed to transfer illiquid securities among their schemes.

G. Valuation of Commodities and Exchange Traded Commodities Derivatives (ETCDs):

Asset Class	Valuation Methodology
Physical Gold and Silver	The physical Gold and Silver shall be valued by using the polled spot prices published by the recognized stock exchanges which are used for settlement of physically delivered Gold and Silver derivatives contracts. The Exchange will follow the diverse polling method and shall comply with the spot polling guidelines as specified by SEBI from time to time. The Multi Commodity Exchange of India Limited (MCX) will be considered as recognized stock exchange. If on any day such polled spot prices are not available, then the earliest previous day polled spot prices shall be considered. In certain circumstances, the valuation committee may decide an alternative method for valuing Gold and Silver, provided that appropriate justification is documented.
Exchange Traded Commodities Derivatives	**Futures and Options:** ETCDs shall be valued at the last quoted closing price on the exchange where such contracts are listed. On a valuation day, if last quoted closing price is not available then such ETCD contracts shall be valued at the settlement price. **Conversion of ETCDs into Physical Commodities:** In case ETCDs gets converted into physical commodities then upon the receipt of physical commodity at the exchange accredited warehouse in the allocated location (as notified and determined by the exchanges) the commodity shall be valued based on the spot/pooled physical price of the respective location as published by the respective commodity exchanges. Spot/Pooled price of respective commodity is published every day at the MCX website which can be referred for valuation of stocks lying in the warehouse/designated vaults. If on any day the spot/pooled prices as above are not available due to holiday, then the prices of immediately preceding day will be considered for the purpose of valuation of such commodity.

VALUATION APPROACH FOR TRADED AND NON-TRADED MONEY MARKET AND DEBT SECURITIES

SEBI, vide Master Circular on Valuation of money market and debt securities, has laid down the broad principles for considering traded yields for the purpose of valuation of money market and debt securities. In this regard, the following are the areas identified for issuing standard guidelines.

1. Waterfall mechanism for valuation of money market and debt securities
2. Definition of tenure buckets for similar maturity
3. Process for determination of similar issuer
4. Recognition of trades and outlier criteria
5. Process for construction of spread matrix

<u>Part A: Valuation of Money Market and Debt Securities other than G-Secs</u>

1. **Waterfall Mechanism for valuation of money market and debt securities:**

The following shall be the broad sequence of the waterfall for valuation of money market and debt securities:

i. Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building or fixed price) and secondary trades in the same ISIN
ii. VWAY of primary issuances through book building of same issuer, similar maturity (Refer Note 1 below)
iii. VWAY of secondary trades of same issuer, similar maturity
iv. VWAY of primary issuances through fixed price auction of same issuer, similar maturity
v. VWAY of primary issuances through book building of similar issuer, similar maturity (Refer Note 1 below)
vi. VWAY of secondary trades of similar issuer, similar maturity.
vii. VWAY of primary issuance through fixed price auction of similar issuer, similar maturity
viii. Construction of matrix (polling may also be used for matrix construction)
ix. In case of exceptional circumstances, polling for security level valuation (Refer Note 2 below)

Note 1

Except for primary issuance through book building, polling shall be conducted to identify outlier trades. However, in case of any issuance through book building which is less than INR 100 Cr, polling shall be conducted to identify outlier trades.

Note 2

Some examples of exceptional circumstance would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach in last 6 months.

Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMCs. Further, a record of all such instances shall be maintained by AMCs and shall be subject to verification during SEBI inspections.

Note 3

All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Inter-scheme transfers) should be considered for valuation on that day.

Note 4

It is understood that there are certain exceptional events, occurrence of which during market hours may lead to significant change in the yield of the debt securities. Hence, such exceptional events need to be factored in while calculating the price of the securities. Thus, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:

i. Monetary/ Credit Policy
ii. Union Budget
iii. Government Borrowing/ Auction Days
iv. Material Statements on Sovereign Rating
v. Issuer or Sector Specific events which have a material impact on yields
vi. Central Government Election Days
vii. Quarter end days

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

2. Definition of tenure buckets for Similar Maturity

When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same issuer or a similar issuer, where the residual tenure matches the tenure of the bond to be priced. However, as it may not be possible to match the exact tenure, it is proposed that tenure buckets are created and trades falling within such similar maturity be used as per table below.

Residual Tenure of Bond to be priced	**Criteria for similar maturity**
Upto 1 month	Calendar Weekly Bucket
Greater than 1 month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1 year	Calendar Monthly Bucket
Greater than 1 year to 3 years	Calendar Quarterly Bucket
Greater than 3 years	Calendar Half Yearly or Greater Bucket

In addition to the above:

a. In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Some examples of market events / nuances include cases where traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket, similarly for less than 30 days and more than 30 days or cases where yields for the last week v/s second last week of certain months such as calendar quarter ends can differ.

b. In the case of illiquid/ semi liquid bonds, it is proposed that traded spreads be permitted to be used for longer maturity buckets (1 year and above). However, the yield should be adjusted to account for steepness of the yield curve across maturities.

c. The changes/ deviations mentioned in clauses a and b, above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

3. Process for determination of similar issuer

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer does not always refer to issuers which trade at same yields but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

i. Issuers within same sector/industry and/or
ii. Issuers within same rating band and/or
iii. Issuers with same parent/ within same group and/or
iv. Issuers with debt securities having same guarantors and/or
v. Issuers with securities having similar terms like Loan Against Shares (LAS)/ Loan Against Property (LAP)

The above criteria are stated as principles and the final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

4. Recognition of trades and outlier criteria

i. Volume criteria for recognition of trades (marketable lot)

The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	**Minimum Volume Criteria for marketable lot**
Primary	INR 25 Cr for both Bonds/NCD/CP/ CD and other money market instruments

Secondary	INR 25 Cr for CP/ CD, T-Bills and other money market instruments
Secondary	INR 5 Cr for Bonds/NCO/ G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored.

ii. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

a. Outlier trades shall be classified based on liquidity buckets (Liquid, Semi-liquid, Illiquid).

   Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.

b. The outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of the matrix. Relative movement ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.

c. Potential outlier trades which are identified through objective criteria defined above will be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.

d. The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity Classification	**Bps Criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)**		
	Up to 15 days	**15-30 days**	**Greater than 30 days**
Liquid	30 bps	20 bps	10 bps
Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70 bps	50 bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI.

e. In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

   <u>Liquidity classification criteria - liquid, semi-Liquid and Illiquid definition</u>

   Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-Liquid and illiquid basis the following two criteria

   a. Trading Volume

   b. Spread over reference yield

   Such criteria shall be reviewed on periodic basis in consultation with AMFI.

Trading Volume (Traded days) based criteria:

Number of unique days an issuer trades in the secondary market or issues a new security in the primary market in a calendar quarter

- Liquid >=50% of trade days
- Semi liquid >=10% to 50% trade days
- Illiquid <10 % of trade days

Spread based criteria:

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid. For bonds thresholds are defined as upto 15 bps for liquid; >15-75 bps for semi-liquid; > 75 bps for illiquid. (Here, spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix), For CP/ CD- upto 25 bps for liquid; >25- 50 bps for semiliquid;
> 50 bps for illiquid. (Here, spread is computed as average spread of issuer over Al+/AAA CD Bank matrix).

The thresholds shall be periodically reviewed and updated having regard to the market.

The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments (CP/ CDs) and bonds.

5. Process for construction of spread matrix

   Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix:

Steps	Detailed Process
Step 1	**Segmentation of corporates-** The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket: 1. Public Sector Undertakings/Financial Institutions/Banks; 2. Non-Banking Finance Companies -except Housing Finance Companies; 3. Housing Finance Companies; 4. Other Corporates

Step 2	**Representative issuers –** For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating {I.e. "AAA" or AA+). Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector. It may not be possible to find representative issuers in the lower rated segments, however, in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions. In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spreads is not seen at any step. For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.
Step 3	**Calculation of benchmark curve and calculation of spread -** 1. Yield curve to be calculated for representative issuers for each sector for maturities ranging from 1 month till 20 years and above. 2. Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector. 3. In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants 4. Yield curve for Representative Issuers will be created on daily basis for all 4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the sector, parentage and characteristics. Spread over the benchmark curve for each security is computed using latest available trades/primaries/polls for respective maturity bucket over the Benchmark Issuer. 5. Spreads will be carried forward in case no data points in terms of trades/primaries/polls are available for any issuer and respective benchmark movement will be given.

Step 4	1. The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/primary issuances. 2. In case of rating downgrade/credit event/change in liquidity or any other material event in Representative Issuers, new Representative Issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered. 3. Residual tenure of the securities of representative issuers shall be used for construction of yield curve.

Part B: Valuation of G-Secs {T-Bill, Cash management bills, G-Sec and SOL)

The following is the waterfall mechanism for valuation of Government securities:

- VWAY of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation
- Carry forward of spreads over the benchmark
- Polling etc.

Note:

1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines.
2. Outlier criteria: Any trade deviating by more than+/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.

The aforesaid provisions related to Waterfall approach for valuation of debt and money market securities prescribed by SEBI Master Circular and AMFI circular dated November 18, 2019 shall be effective from the date of implementation of the requirements of the circular by the Valuation agencies.

Notwithstanding anything contained in this Policy, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines/circulars there under shall be applicable

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