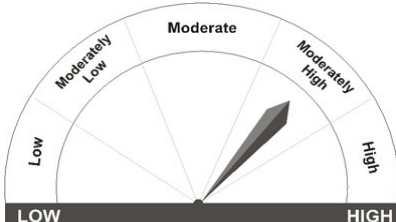


KEY INFORMATION MEMORANDUM

**ESCORTS BALANCED FUND
(AN OPEN ENDED BALANCED 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"> • To generate long term capital appreciation • To generate income from a portfolio of equity & fixed-income securities 	 <p>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

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**.

Investment Objective	To generate long term capital appreciation and current income from a portfolio of equity & fixed income securities.	
Asset Allocation Pattern of the scheme	Types of Instruments	Normal Allocation (% of Net Assets)
	Equity shares and equity related instruments	55 – 80
	Debt Instruments, Govt. Bonds etc.	20 – 45
Investment Strategy of the Scheme	The Scheme will, under normal market conditions, invest 60% of its net assets in equity and equity related instruments, with balance 40% being invested in fixed income securities, money market instrument, cash and cash equivalents, though these percentages may vary.	
Risk Profile of the Scheme	<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> <ol style="list-style-type: none"> 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. The inability to sell money market instruments or debt securities held in the scheme’s portfolio due to the absence of a well developed secondary market for such securities may result, at times, in losses to the scheme, in case of subsequent decline in the value of such securities. Debt securities may also be subject to price volatility due to factors such as changes in interest rates and levels of market liquidity. 	
Risk Mitigation	<u>Risk & Description specific to Equities</u>	<u>Risk mitigants/ management strategy</u>
	<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 value of the investment portfolio</u>	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.
	<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

ESCORTS BALANCED FUND

		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.

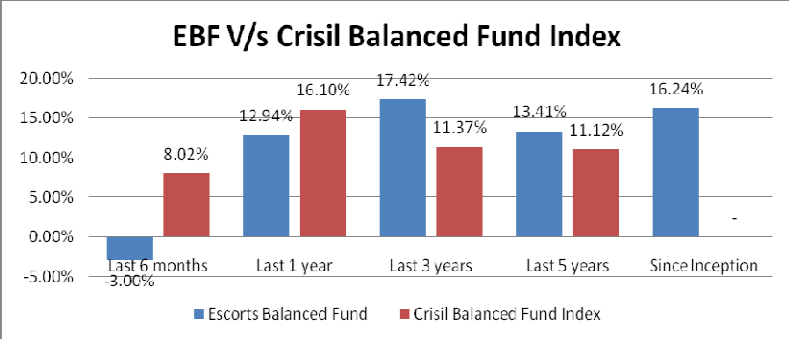
	<u>Risk & Description specific to Debt</u>	<u>Risk mitigants / management strategy</u>
	<u>Default Risk</u>	This shall be arrested by investing in papers which have high safety. Further this risk is minimal in case of securities issued by central / state government/.
	<u>Interest Rate Risk</u>	This shall be reduced by increasing the average duration of portfolio when interest rate is expected to decline and decrease the average duration when interest rate is expected to rise. This will minimize the negative impact of adverse movement of interest rate.
	<u>Liquidity Risk</u>	This shall be avoided by keeping away from investment in thinly traded securities or securities with lower volumes.

<p>Plans and Options</p>	<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> <table border="1" data-bbox="581 835 1373 1178"> <thead> <tr> <th>Scenario</th> <th>Broker Code mentioned by the investor</th> <th>Plan mentioned by the investor</th> <th>Default Plan to be captured</th> </tr> </thead> <tbody> <tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr> <tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr> <tr><td>5</td><td>Direct</td><td>Not mentioned</td><td>Direct Plan</td></tr> <tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr> <tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular</td></tr> <tr><td>8</td><td>Mentioned</td><td>Not mentioned</td><td>Regular</td></tr> </tbody> </table>		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
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<p>Applicable NAV (after the scheme opens for repurchase and sale)</p>	<p>For Investment</p> <ol style="list-style-type: none"> 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. <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> <ol style="list-style-type: none"> 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. 																																				

ESCORTS BALANCED FUND


Minimum Application Amount/ Number of Units	Purchase Rs. 1,000/- and in multiples of Rs. 1/- thereafter.	Additional Purchase Rs. 1,000/- and in multiples of Rs. 1/- thereafter.	Repurchase Rs. 1,000/-
Despatch of Repurchase (Redemption) Request	Within 10 working days of the receipt of the redemption request at the authorised centre of Escorts Mutual Fund.		
Benchmark Index	CRISIL Balanced Fund 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																						
	Ms. Pushpa Rai – Debt	Since February 2017																						
	Mr. Sanjeev Sharma – Equity	Since February 2017																						
Top 10 holdings of scheme Portfolio	<table border="1"> <thead> <tr> <th>Security Name</th> <th>Weightage (%)</th> </tr> </thead> <tbody> <tr> <td>Grasim Industries Ltd</td> <td>8.39</td> </tr> <tr> <td>Phoenix Lamps Limited</td> <td>8.28</td> </tr> <tr> <td>Tata Global Beverages Ltd</td> <td>7.52</td> </tr> <tr> <td>Sun Pharmaceuticals Industries Ltd</td> <td>5.78</td> </tr> <tr> <td>Supreme Industries Ltd</td> <td>5.46</td> </tr> <tr> <td>Asian Paints (India) Ltd.</td> <td>5.36</td> </tr> <tr> <td>Piramal Enterprises Limited</td> <td>4.76</td> </tr> <tr> <td>Tata Motors dvr limited</td> <td>4.49</td> </tr> <tr> <td>ICICI Bank Ltd.</td> <td>3.46</td> </tr> <tr> <td>Mphasis Limited</td> <td>2.31</td> </tr> </tbody> </table>		Security Name	Weightage (%)	Grasim Industries Ltd	8.39	Phoenix Lamps Limited	8.28	Tata Global Beverages Ltd	7.52	Sun Pharmaceuticals Industries Ltd	5.78	Supreme Industries Ltd	5.46	Asian Paints (India) Ltd.	5.36	Piramal Enterprises Limited	4.76	Tata Motors dvr limited	4.49	ICICI Bank Ltd.	3.46	Mphasis Limited	2.31
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Website link for latest monthly scheme Portfolio	http://www.escortsmutual.com/downloads.aspx?Cat=Portfolio																							
Portfolio turnover ratio	Portfolio Turnover Ratio as on 31.03.2017 : 42.29%																							

<p>Performance of the scheme</p>	<div style="text-align: center;">  <table border="1" style="margin: auto;"> <caption>EBF V/s Crisil Balanced Fund Index</caption> <thead> <tr> <th>Period</th> <th>Escorts Balanced Fund (%)</th> <th>Crisil Balanced Fund Index (%)</th> </tr> </thead> <tbody> <tr> <td>Last 6 months</td> <td>-3.00%</td> <td>8.02%</td> </tr> <tr> <td>Last 1 year</td> <td>12.94%</td> <td>16.10%</td> </tr> <tr> <td>Last 3 years</td> <td>17.42%</td> <td>11.37%</td> </tr> <tr> <td>Last 5 years</td> <td>13.41%</td> <td>11.12%</td> </tr> <tr> <td>Since Inception</td> <td>16.24%</td> <td>-</td> </tr> </tbody> </table> </div> <p>No. of folios (as on 31.03.2017) - 386 Assets under Management (as on 31.03.2017) – Rs. 1.96 Crores</p>		Period	Escorts Balanced Fund (%)	Crisil Balanced Fund Index (%)	Last 6 months	-3.00%	8.02%	Last 1 year	12.94%	16.10%	Last 3 years	17.42%	11.37%	Last 5 years	13.41%	11.12%	Since Inception	16.24%	-
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<p>(i) Load Structure</p>	<p>Entry load : Nil</p> <p>Exit load : 1% if redemption < = 1 year of allotment</p> <p>Actual expenses for the previous financial year 2016-17 (unaudited) : Rs. 0.022 Crores</p>																			
<p>(ii) Recurring expenses</p>	<p>First Rs. 100 crores : 2.50% Next Rs. 300 crores : 2.25% Next Rs. 300 crores : 2.00% Balance : 1.75%</p>																			
<p>Tax treatment for the Investors (Unitholders)</p>	<p>Investors are advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.</p>																			
<p>Daily Net Asset Value (NAV) Publication</p>	<p>The NAV will be declared on all business days and will be published in 2 newspapers. NAV can also be viewed on www.escortsmutual.com and www.amfiindia.com</p>																			
<p>For Investor Grievances please contact</p>	<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 www.escortsmutual.com help@escortsmutual.com</p> <p>M/s Skyline Financial Services Pvt. Ltd. D-153A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi 110 020. Tel : 011-64732681 to 64732688 Fax : 30857562 www.skylinerta.com viren@skylinerta.com</p>																		
<p>Unitholders' Information</p>	<p>Accounts Statements 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"> • 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) • For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail. • The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&T. <p>For SIP transactions:</p> <ul style="list-style-type: none"> • 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. • 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. • However, the first Account Statement under SIP shall be issued within 10 working days of the initial investment/transfer. • In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP) to the investors within 5 working days from the receipt of such request without any charges. <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 despatch 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> <ul style="list-style-type: none"> - A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/
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	<p>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 mail/email.</p> <ul style="list-style-type: none"> - 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>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:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 plan (regular or direct or both) where the concerned investor has actually invested in. (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>Applicable to Investors who opt to hold Units in 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. 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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